



Daily Report

LAST ISSUE

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LAST ISSUE

East Asia

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Daily Report

East Asia

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Japan

Japan: Officials Say Aviation Talks With U.S. End in 'Rupture'

OW1608104096 Tokyo KYODO in English
1027 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Japan and the United States failed to iron out their differences in two days of working-level aviation talks that ended here Friday, Japanese Transport Ministry officials said.

No schedule for the next round of negotiations has been set, the officials said.

Analysts pointed out that the rupture in negotiations leaves the possibility of tit-for-tat sanctions between the two governments.

During the talks at the ministry, Japanese and U.S. negotiators took up such issues as Federal Express Corp.'s (FedEx) request for five new flights to Asia, including Shanghai and Beijing, under so-called "beyond rights" to freely open new routes and boost flight frequencies beyond Japan to third countries, the officials said.

The negotiators also discussed differences in vested interests between the two countries under their 1952 civil aviation agreement.

U.S. delegates said they will bring issues taken up at the Tokyo meeting to their home government, according to the officials.

Japanese negotiators were quoted as saying that no major progress can be expected in negotiations due to strong pressure from U.S. aviation companies eager to protect their vested interests.

In late June, Japan-U.S. talks on the passenger service portion of aviation trade also ended in failure.

The U.S. Government in July proposed sanctions on Japan Airlines (JAL) cargo services in reaction to Tokyo's refusal to allow FedEx to operate the five new routes.

The sanctions would prohibit JAL from transporting cargo to the U.S. via Japan from the five Asian airports to which FedEx is seeking access.

The Japanese Government in return said that if Washington decides on the sanctions, it will ban U.S. cargo flights from flying from Japan to five Asian airports including Manila and Singapore.

Tokyo, Washington To Seek Solution to Aviation Row Via Talks

OW1508130696 Tokyo KYODO in English
1226 GMT 15 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 15 KYODO — Japanese and U.S. negotiators agreed Thursday to work to avoid reciprocal sanctions on cargo flights and to resolve their aviation dispute through talks, Japanese Transport Ministry officials said.

At a first-day session of two-day talks at the ministry, they agreed to discuss current problems as well as the question of equalizing interests while recognizing differences of priority between the two countries, the officials said.

The United States last month threatened sanctions against Japan Airlines (JAL) cargo services in reaction to Tokyo's refusal to allow U.S. cargo carrier Federal Express (FedEx) to serve five Asian cities after stopovers in Osaka under so-called "beyond rights."

The sanctions would prohibit JAL from transporting cargo to the U.S. from Manila, Jakarta and three other Asian airports by way of Japan. FedEx is asking for access to the five airports.

Japan, for its part, has vowed to ban U.S. cargo flights from Japan to five Asian airports, including Manila and Singapore, if the U.S. goes ahead with the sanctions.

On the passenger front, the two governments failed to strike a deal at their previous round of talks in Washington in late June, leaving in limbo issues such as JAL's request to open a Hiroshima-Honolulu route and United Airlines' bid to expand its Tokyo-Los Angeles service.

In addition, Japan complains that it does not have equal rights with the U.S. under their 1952 aviation agreement.

Japan: MITI Minister Tsukahara Statement on New Chip Framework

OW1608062196 (Internet) Japanese Ministry of International Trade and Industry WWW in English
6 Aug 96

[Statement by Shunpei Tsukahara, international trade and industry minister, on the new multilateral semiconductor framework released on 6 August: from the "Semiconductor Issue" link]

[FBIS Transcribed Text] FOR IMMEDIATE RELEASE
Aug 2, 1996

Comment by MITI Minister Tsukahara: Japan and the US Have Agreed to Create a New Multilateral Cooperative Framework Regarding Semiconductors

Japan-US consultations on the semiconductor issue have reached a settlement. I would like to express my appreciation to the great efforts made by Ambassador Barshefsky, Acting US Trade Representative and the US negotiating team in finding a solution to this issue. I also wish to thank the citizens of Vancouver for providing such a beautiful venue for our negotiations.

(note) "Joint Statement by the Government of the United States and the Government of Japan Concerning Semiconductors" will be soon issued.

These consultations between Japan and United States sought to explore how to promote a new form of international cooperation regarding the semiconductor industry and trade, given the fact that the Semiconductor Arrangement which had continued over the past 10 years has expired on July 31 of this year. As a result, we have been able to put an end to a system managing trade by reviewing market share, taking into account of numerical targets. I am truly pleased to note that we have created a multilateral framework of cooperation that is appropriate for the new era for the world semiconductor industry to address the common challenges that they face. I am confident that we have been able to reach an outcome that will be welcomed not only by the citizens of our two countries, but by the international community as well.

More specifically, it has been agreed that Japan and the United States will call upon the EU and other countries to establish the Global Governmental Forum to discuss, at the government level, policy issues regarding the semiconductor industry and trade. It has also been agreed to establish the Semiconductor Council to promote industrial cooperation by the private sector. It is my hope that this new mechanism will function effectively for the healthy development of the semiconductor industry in coming years. With the imminent advent of the Information Society, the semiconductor industry has an indispensable role to play for the economies of all nations, all regions and the entire global economy. With this agreement, I hope that international cooperation both at the government and industry level will be promoted between Japan and the U.S. and among all countries concerned for an even greater development of the semiconductor industry and trade.

Japan: Hashimoto Sues Okinawa Governor Ota Over Bases

OW1608072296 Tokyo KYODO in English
0714 GMT 16 Aug 96

[FBIS Transcribed Text] Naha, Japan, Aug. 16 KYODO — Prime Minister Ryutaro Hashimoto sued Okinawa Gov. Masahide Ota on Friday seeking a court order for him to comply with an executive order to take procedures needed for forced rental of land inside 11 U.S. military facilities in the southernmost island prefecture, officials said.

It is the third suit brought by the central government against the governor over procedures for forced land leases for the U.S. military in Okinawa prefecture in an attempt to get Ota to carry out what it claims are his gubernatorial duties.

The lawsuit was brought to the Naha branch of the Fukuoka High Court and followed Ota's rejection of Hashimoto's order that he take the procedures required to renew land leases for Kadena Air Base and 10 other U.S. Military bases, government officials said.

A ruling on this case is expected at year-end or later.

Hashimoto had asked Ota to act as proxy for the mayors of nine cities, towns and villages, where the 11 bases are located after the municipal governments refused to put on public display papers required for expropriating the land plots.

Ota defied the premier's order, saying an agreement between the United States and Japan to reduce the amount of land occupied by U.S. bases by one-fifth does not go far enough.

The land in question is owned by some 3,000 people, totaling 129,000 square meters. Lease contracts of the land plots expire next May.

In December last year, the central government filed a lawsuit against Ota, seeking a court order for the governor to sign documents required to force 35 landowners to renew their lease of a total of 35,000 square meters of land for U.S. military facilities.

Ota's refusal to sign the documents came against the backdrop of a surge in public outcry over the U.S. military presence on the prefecture since the rape of a local schoolgirl last September by three U.S. servicemen, who are now serving prison terms.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa prefecture, which accounts for only 0.6 percent of Japan's total area and is located about 1,600 kilometers southwest of Tokyo.

Some 30,000 of the 47,000 U.S. troops in Japan are stationed in the prefecture.

In March, the Naha branch of the Fukuoka High Court ordered Ota to sign the documents. Ota appealed against the ruling to the supreme court, which is slated to hand down its ruling Aug. 28.

In the second lawsuit against Ota filed in July, the central government is calling for a court order urging the governor to comply with a request that he make public papers detailing a government request for the expropriation of a plot of land within the Sobe Communications Facility in the village of Yomitan.

The lease on the 236-square-meter plot owned by grocer Shoichi Chibana expired at the end of March, but the government has continued to use the plot for the U.S. Navy facility with no clear legal basis.

The prefectural government has hammered out a three-stage action plan for the complete withdrawal of U.S. troops by 2015.

The local government will call a referendum Sept. 8 to ask residents whether they support a reduction in U.S. bases in the prefecture.

Under an agreement reached in April between Japan and the U.S., the U.S. military will vacate some 20 percent of the land it now occupies in Okinawa prefecture.

Japan: Okinawans Strongly Object to Helipad Construction

OW1608054896 Tokyo MAINICHI SHIMBUN
in Japanese 15 Aug 96 Morning Edition p 3

[FBIS Translated Text] The Japanese Government has presented a draft plan regarding the return of U.S. military bases on Okinawa, which includes the construction of a helipad on Kadena Air Base in exchange for the return of the U.S. Marine Corps' Futenma Air Station. Because the draft plan places conditions requiring the functions of the facilities to be returned transferred to other parts of the prefecture, Okinawa Prefectural Government (OPG) authorities and local residents are complaining that it amounts to merely "shuffling military bases around Okinawa."

On 9 August, the central government and the OPG held their second meeting of the "Working Committee on the Return of Futenma Air Station and Other Facilities." Regarding the issue of constructing helipads in exchange for the return of Futenma Air Station, the central government disclosed that at a recent working-level meeting of the Special Action Committee for Okinawa (SACO), Japanese officials urged U.S. officials

to adopt a plan to integrate the helipads into Kadena Air Base.

The Japanese and U.S. Governments have agreed on the complete return of four U.S. military facilities in the following manner: 1) The landing and take-off facilities at the Ginbaru Training Area will be transferred to the Blue Beach Training Area; 2) paratroop exercises at Yomitan Auxiliary Airfield will be moved to the Iejima Auxiliary Airfield; 3) the antennas and other equipment at the Sobe Communications Site will be transferred to the Ostrich Zone (located in Kin Township) in Camp Hansen; and 4) the off-shore training area in the Aha Training Area will be relocated to the Northern Training Area. These facilities will be returned after replacement sites are secured and relocation is complete. In each case, the return of the facilities is conditional, requiring that their functions be moved to other parts of Okinawa.

On the evening of 9 August, the Central District Labor Union held a local residents' mass rally to protest the relocation of base functions to other parts of the prefecture and to aim at the completion of the planned prefectural referendum on military bases. At the rally, Seiyu Nakamura, acting chairman of an anti-aircraft noise group that is also supporting a group of local residents who have filed a complaint against aircraft noise at Kadena Air Base and seeking a ban on early-morning and late-night flights by military aircraft there, said: "Even a layman would know that constructing new helipads on Kadena Air Base to transfer the functions of Futenma Air Station is dangerous when the base itself is a hazardous area (due to crashes and other accidents). The noise problem — bad as it is — will only get worse." Other participants, one after another, said: "We can no longer tolerate any more shuffling of military bases around Okinawa."

Regarding the issue of constructing replacement military base facilities, a number of protest rallies have been held in various parts of Okinawa since last April in objection to the planned relocation of base functions to other parts of the prefecture. For example, an association of municipalities in northern Okinawa has adopted a resolution of opposition to the construction of replacement facilities; mass rallies with participation by over 1,000 local residents have been held in Nago city, Kin Township, and other municipalities; and in mid-July, the Okinawa Prefectural Assembly unanimously adopted a statement of opinion and a resolution of protest against the relocation of base facilities to other parts of the prefecture.

Regarding the site of the helipad construction, a senior OPG official who participated in the SACO working-level meeting expressed disapproval, saying: "No con-

crete explanation was made (at the committee meeting). It is the idea of the Tokyo authorities to settle for a plan to cram the helipads into Kadena Air Base. The danger of military aircraft crashing and the level of aircraft noise will double or triple, let alone the physical space that the helipads will occupy." Regarding the return of the four other facilities, objection has been raised particularly by the local residents of the relocation sites.

In response to such reaction, Masaaki Aguni, director of the Okinawa Governor's Office, is insisting that the central government step up its efforts, saying: "The OPG is ready to cooperate where it can, if the central government first makes efforts to gain the understanding of the local municipalities. We still have to see specifically how we can cooperate. To be honest, I think the situation is quite severe."

Japan: Shipbuilder Says Talks on U.S. Navy Use of Dock Break Off

OW1608060296 Tokyo KYODO in English
0445 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Negotiations over the U.S. Navy's use of a dock at the shipyard of Sasebo Heavy Industries Co. in Sasebo, Nagasaki Prefecture, have effectively broken off, the shipbuilder's president said Friday.

Ryutaro Hasegawa told reporters in Tokyo that the two sides did not agree on the schedule of the use of the dock.

The shipbuilder and the U.S. Navy have been negotiating the Navy's plan to put its amphibious assault ship Belleau Wood into the Japanese shipbuilder's dock at the Sasebo shipyard this fall.

The warship is to undergo repairs that would take about six months.

Based on the Japan-U.S. Status-of-Forces Agreement, the Navy has priority rights to use Sasebo Heavy Industries' shipyard free of charge just by giving advance notice.

However, Sasebo Heavy Industries argued that if the dock, the largest one in the shipyard, is occupied for half a year, the company's revenues would be halved and "the company would go bankrupt," according to Hasegawa.

The Navy then compromised and offered payments for the use.

But the schedule and selection of repair contractors remain problems between the two sides, Hasegawa said.

Hasegawa said the company's stance on the issue is strong and added, "if the Navy presses hard, we might picket the dock."

Japan: Defense Industry To Promote Exchanges With U.S.

OW1608062996 Tokyo MAINICHI SHIMBUN
in Japanese 14 Aug 96 Evening Edition p 1

[By Yutaka Kinoshita]

[FBIS Translated Text] On 14 August, Japanese and U.S. defense industrial circles agreed in principle to exchange opinions aimed at promoting industrial exchanges, including joint development of military equipment. Because of this, the International Trade and Industry Ministry will earmark expenses for supporting industrial exchanges in its FY97 budget request. While the international community is cutting down defense expenditures, the U.S. Government, which is looking for ways to reduce production costs of military equipment, worked on U.S. industrial circles and the Defense Agency to promote exchanges between private companies, which Japan accepted. The aim is to form a system in which Japanese and U.S. industries, with support from the governments, can supply military equipment at low cost, while firmly maintaining Japan's three principles banning arms exports.

The agreement was reached in line with the Japan-U.S. joint statement on security, which was announced in April when the U.S. President came to Japan to strengthen the security system between the two countries. The governments and private companies of Japan and the United States already enjoy technological exchanges. However, the recent meeting was the first of its kind between the industrial circles.

It seems that discussions at future meetings will focus mainly on technological exchanges on cutting edge products, including semiconductors; liquid panels; and composite materials, which are needed for aircraft and missile production. Both sides will also talk about utilizing technologies developed by private companies for production of defense equipment. The first meeting will be held around November. At the second meeting, scheduled for the spring of 1997, the industrial circles will submit to the Japanese and U.S. Governments a proposal calling for cooperation.

Japan: SDP Leader Sees Need for New Okinawa Minister

OW1608063196 Naha OKINAWA TIMES in Japanese
16 Aug 96 Morning Edition p 2

[FBIS Translated Text] Shigeru Ito, vice chairman of the Social Democratic Party [SDP], who is visiting

Okinawa, gave a news conference at the Prefectural Assembly building on the afternoon of 15 August. He disclosed that a six-member meeting of officials of the secretary general and top policy officer class of the three ruling coalition parties will be held on 23 August to discuss new legal and fiscal measures in addition to the existing economic development program, to begin formulating a unified policy on the Okinawa issue.

Presenting it as a personal view, Ito suggested that: "A minister in charge of Okinawa with strong powers needs to be appointed, and a large-scale program has to be formulated." He advocated creating a new agency with comprehensive jurisdiction over the bases issue and Okinawan development.

Ito also stated that the SDP is opposed to legal measures aimed at speeding up administrative procedures for the forcible use of land for U.S. military bases. He also talked about the timing for the dissolution of the Diet, and said: "There is a strong possibility that dissolution will come in November, and elections will be held by the end of the year."

Ito stated that the SDP's basic position "should be in line with Okinawa Prefecture's plan for creating an international urban community, and its action program for the return of U.S. bases, which aims at the withdrawal of all bases in 20 years." He said that the international city plan "should be implemented with new policies." With the concept of an Okinawan special economic zone — which is comparable to that of the PRC and Hong Kong or Singapore — in mind, he asserted that "we ought to come up with bold ideas like the 'one country, two systems' concept."

Ito further pointed out that: "A 'mezzanine floor [half-baked]' Okinawa Development Agency will not be able to handle the bases issue." He advocated creating a temporary new Okinawan affairs minister. He said: "It is necessary to create a consultative body between the prefectural and national governments, and to have a strong government agency with the power of coordinating with the concerned ministries and agencies to promote the consolidation and reduction of the bases, and to build the international city."

In connection with development measures for Okinawa, Koichi Kato, secretary general of the Liberal Democratic Party (LDP), concurrently chairman of the LDP's "Special Research Committee on Comprehensive Development Measures for Okinawa," which was created directly under LDP President Ryutaro Hashimoto in June, is scheduled to visit Okinawa on 24 August to exchange views with Governor Masahide Ota.

On the other hand, on 1 August, the SDP's "Okinawa Comprehensive Development Headquarters" (chaired by party leader Tomiichi Murayama) drafted preliminary measures for Okinawa's development, including reduction of air fares and tourism without visa.

The government wants to compile its development measures before the bases issue reaches a critical stage from the end of August to September. It hopes to create a more conducive environment for Okinawa to be more cooperative with the government on forcible land use after the Supreme Court verdict is pronounced, and after the referendum in Okinawa.

Zenshun Arakaki, chairman of the SDP Okinawa chapter, who was also present at Ito's news conference, said: "We want to avoid the impression that development measures have precedence in the Okinawa issue." He showed concern that demands for consolidation and reduction of the bases may be drowned out by development measures.

Japan: MOF To Promote Standardization of Electric Money Use

OW1508145596 Tokyo SANKEI SHIMBUN
in Japanese 14 Aug 96 Morning Edition p 1

[FBIS Translated Text] On 13 August, the Ministry of Finance [MOF] decided to promote standardization of "electric money" in cooperation with the U.S. and European monetary authorities. The electric money allows users to conduct such matters as settlement of transactions on the Internet, which is the worldwide computer network. Since electric money is used crossing borders all over the world, the method of use has been confusing. Therefore, the standardization of electric money will help users to understand the current situation of fund flow, and also prevent finance-related crimes. With its aim to realize the use of "electric currency," the MOF will start a concrete study as early as in the next fiscal year in an effort to strive for an international currency hopefully by the beginning of the 21st century.

When conducting worldwide commercial transactions on the Internet, users do not have to worry about time and place for shopping; besides, the settlement of bills can be done only by inputting data on computers. Because of such convenience, commercial transactions on the Internet have been popular among the people and rapidly spread throughout the world.

On the other hand, since it is hard to grasp the flow of funds on the Internet, the government of each country has been agonizing over how to handle the issue. Among the problems the governments have been facing are how to prevent money laundering and finance-related

crimes by hackers, and how to deal with tariffs and taxes imposed on profit gained from commercial transactions on the Internet. Moreover, the governments need to control the money supply and foreign exchange on the Internet, accurately understand the current situation of capital transfer, and also maintain effectiveness of regulations in case of emergencies to handle disorder in financial and exchange markets.

The MOF made the decision believing that international cooperation should be established to realize a standard method of "electric currency" usage in the international community. In concrete, it is most likely that the systems used in the United States and Europe will be improved upon to issue "IC Card in which a standardized amount of electric money is inputted" by the central bank of each country.

Japan: DPRK Official Discloses Readiness for Talks With ROK, U.S.

OW1608014896 Tokyo MAINICHI SHIMBUN in Japanese 16 Aug 96 Morning Edition p 1

[By reporter Bungo Okubo]

[FBIS Translated Text] It was learned on 15 August that with regard to the four-way talks [among the DPRK, the ROK, the United States, and the PRC] proposed to seek stability on the Korean peninsula, Hwang Chang-yop, chairman of the Foreign Affairs Committee of the DPRK (North Korea) Supreme People's Assembly, has remarked that North Korea is ready to hold three-way talks with the ROK and the United States, and that it has already gained the PRC's approval. This is the first time that a top-ranking North Korean official has made concrete remarks about the four-way talks proposed at the U.S.-ROK summit last April.

The disclosure was made by Saitama University professor Yasuhiko Yoshida, who met with Hwang when he visited North Korea as a member of the "Japan-DPRK Academic Friendship Delegation" from 8-13 August. According to Yoshida, Hwang said: "Regarding the four-way talks, the PRC has told us it will leave the negotiations up to the Republic (North Korea)." Yoshida also quoted Hwang as saying: "Talks among the DPRK, the ROK, and the United States — with the PRC excluded — will likely be realized as early as this fall."

Yoshida also noted that Hwang hinted at the possibility of South-North talks, quoting the latter as saying: "DPRK-U.S. relations are basically on the right track, and as long as mutual trust is retained between the two countries, the possibility of breaking the deadlocked South-North relations cannot be ruled out."

Japan: Ministry Announces Election Team, Monitors To Visit Bosnia

OW1608043196 Tokyo KYODO in English 0346 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Japan will send personnel to Bosnia-Herzegovina later this month to help the country prepare for national elections set for Sept. 14, the Foreign Ministry said Friday.

The 29-member team, to be headed by Tadashi Nagai, counsellor at the Japanese embassy in Germany, will stay in the war-ravaged former Yugoslav Republic until late September, ministry officials said.

Separately, Tokyo is also preparing to dispatch election monitors to Bosnia on a weeklong mission, the officials said.

The parliamentary and other elections will be held in Bosnia in line with the Dayton peace accords reached in November 1995.

Japan: Hashimoto Decides To Ask Pacific Forum Including Latin America

OW1508140596 Tokyo SANKEI SHIMBUN in Japanese 14 Aug 96 Morning Edition p 1

[FBIS Translated Text] On 13 August, Prime Minister Ryutaro Hashimoto decided to propose a public-private economic forum of Pacific Rim countries during his Latin American tour 20-30 August. The forum is aimed at promotion of trade and investments among countries on the Pacific coasts, anticipating participation from both the public and private sectors. The Asia-Pacific Economic Cooperation (APEC) forum already exists as a consultative body to handle trade and investment issues in the region, but Japan sees the need for dialogue involving non-APEC members like Peru.

Advanced countries in the Asia-Pacific region — such as Japan, the United States, Canada, and Australia — are becoming aware of the significance of expanded dialogue on trade and investment issues with rapidly growing economic powers in the region, such as East Asian countries.

In particular, Latin America in the 1990's is called a "world growth center," ranking with Asia, because of the region's smooth economic growth after overcoming external debt problems. Latin American involvement in multinational economic dialogue is becoming an urgent need.

At present, only two Latin American countries — Mexico and Chile — have membership in APEC. Although Peru is seeking admission, APEC is carrying

on virtually no discussion on whether or not new members should be accepted.

Japan: Hashimoto Expected To Pledge Cooperation With Latin America

OW1608121896 Tokyo KYODO in English
1151 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Prime Minister Ryutaro Hashimoto will pledge support to cooperation between Latin American nations and other developing nations when he visits five Latin American countries beginning Tuesday [20 August], government sources said Friday.

Hashimoto will also promise Japanese assistance in resolving environmental, drug and food problems during his nine-day visit to Mexico, Brazil, Chile, Peru and Costa Rica, the sources said.

Among proposals to be floated by Hashimoto on cooperation between Latin American nations and other developing nations are projects to help Brazil provide assistance to Angola and Mozambique, two nations with close ties with Brazil, and to help Mexico promote technical assistance to Caribbean states, they said.

Hashimoto "will put priority on providing know-how such as technology over giving money" in outlining his policies, a source close to Hashimoto said.

Hashimoto said in an interview with reporters from Latin American states and Spain earlier this month that the main aim of his trip is to build renewed partnership between Japan and Latin America, a region which he said is becoming the world's fastest developing center after East Asia.

Hashimoto will be the first Japanese prime minister to visit Costa Rica.

Japan: Officials Announce Transport Minister's European Tour

OW1608080296 Tokyo KYODO in English
0723 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — Transport Minister Yoshiyuki Kamei will make a tour of four European countries from next Tuesday through Aug. 28, ministry officials said Friday.

Kamei will visit Bulgaria, Turkey, France and Britain to take a first-hand look of the transport systems in these countries, the officials said.

Japan: Commentator on Restrained ODA Budget Ceiling

OW1508134496 Tokyo SANKEI SHIMBUN
in Japanese 10 Aug 96 Morning Edition p 7

[Article by Kenichi Ito, Aoyama University professor; from the "Seiron" column: "The Ideology and Strategy of ODA Ceilings"]

[FBIS Translated Text] Overall Reduction of the Budget Is Natural

The government decided at an extraordinary cabinet meeting on the evening of 30 July to set the ceiling on FY1997 budgetary requests for general operating expenditures at approximately 44 trillion yen, a growth of 3.4 percent over the initial FY1996 budget. This figure is less than the growth of the ceiling on the FY1996 budgetary requests which was 4.2 percent over the previous fiscal year and is the lowest level since FY1990 when the growth rate was only 3.0 percent. The growth would actually be only 2.2 percent if additional allocations to account for such factors as increased expenditures due to the rise in the consumption tax rate next April were excluded. This is quite an austere budget.

However, considering that Japan's cumulative debts (outstanding balance of government bonds) exceeds 240 trillion yen and there are hardly no prospects for reconstructing state finances via tax increases (because the era of high growth is already a thing of the past and the population is rapidly growing older), a drastic, overall reduction of the budget was an inevitable option. If this case applied to a private firm that was in debt and had no prospects of boosting sales, it would be natural for such a firm to restructure itself. It is also natural that the government has indicated its intention to carry out administrative restructuring, such as cutting back general administrative spending by 15 percent, reducing fresh recruitment of public servants for class-one positions (career employees) by 30 percent, and trimming down the total number of government employees (currently 800,000 firm) by 4.11 percent.

However, the Ideology Remains Questionable

However, what I would like to take up here is the existence of the ideology and strategy that are necessary above all to implement such restructuring — the question of what principles determined the priorities in the process of arriving at the decision on the budgetary ceilings. In the case of a private firm, the president of the firm would be questioned on his management policy, above all. If we were talking about a war, this would

re'er to retreating, and the commander's decision here would have crucial significance. However, he would not be able to make a decision unless he had a strategy to support it.

Let us take a look at what ideology and strategy existed in the process of arriving at the decision on budgetary ceilings that was worked out via informal meetings among ministers of relevant government ministries and agencies, the six-member meetings (among leaders of the government and ruling coalition parties), and the extraordinary cabinet meeting.

As I have already mentioned, Japan faces a budgetary crisis, and as long as this state exists, it is needless to say that the government must cut back on overall budgetary spending. However, if that is so, it makes more sense that such budgetary cutbacks must not be "uniform reductions" that are not based on any ideology or strategy. Moreover, they must not be careless reductions that start with "cutting back from where it is easy."

However, what actually happened here is to be questioned. For example, the growth in budgetary allocations for Official Development Assistance (ODA) programs was restrained to an unbelievably low 2.6 percent. What I would like to question here is to what extent the government took national interests into account in arriving at this decision and whether it had the necessary ideology and strategy for state planning which supports that decision.

The ceiling on budgetary requests for ODA programs has hovered around 7 percent for the last three years (9-percent level prior to that). Since this has plunged all the way down to 2.6 percent, it indicates the government has wielded a terribly big hatchet. The government has set the ceiling on the growth of the overall general budgetary spending at 3.4 percent. Consequently, the growth in the ceiling on budgetary requests for ODA programs has been restrained to below the average growth of other budgetary sectors. The ODA sector, which has been considered a "sanctuary" as well as a "priority item" in Japan's national strategy, has been downgraded "instead to a low-priority item" from FY1997.

Reversal in Position Against the Defense Budget

More importantly, while the ODA growth rate was always higher than the defense spending growth rate, the ceilings this time reversed that position. The defense budget ceiling for FY97 is 2.88 percent, exceeding that for the ODA, which is 2.6 percent. Moreover, the difference between the two figures is much greater than it appears to be. Included in the 2.6 percent ODA increase is the 2 percent allocated to cover the shortfall caused by

the yen's depreciation, and 0.6 percent is for covering the spending increase to be caused by the hike in the consumption tax rate. Therefore, the ODA growth rate is practically zero.

On the other hand, although the nominal ceiling for defense spending is 2.88 percent, it has been decided that expenditures related to the relocation and reduction of U.S. military bases in Okinawa will be excluded from the ceiling, and receive priority appropriations during the budget formulation process by the end of this year. The actual ceiling is much higher.

In the postwar period, Japan has consistently rejected international contributions in the military field in its foreign policy, using its "peace Constitution" as an excuse. For this reason, it has made the commitment "to do what it can in terms of the ODA." What has happened to this foreign policy concept? If such a major change in national policy has been implemented, what sort of deliberation process led to this decision?

It is particularly baffling that the Social Democratic Party, which, until last year, consistently advocated the importance of the ODA, is now at the forefront of the crusade to cut back the ODA budget.

Pressure groups are behind the public work and defense budgets. No such groups are behind the ODA. If that is the true cause or reason for this sharp turn in Japanese national policy, Japan will be open to criticism for making a drastic change in national policy without considering national interest, and without any participation by the people [in the decisionmaking].

Japan: Officials Say MITI To Seek Removal of Antimonopoly Ban

OW1608104596 Tokyo KYODO in English
0942 GMT 16 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 16 KYODO — The Ministry of International Trade and Industry (MITI) will urge abolition or substantial relaxation of an antimonopoly ban on big companies' shareholding of other firms, MITI officials said Friday.

MITI considers the rule is acting as a drag on corporate efforts to promote restructuring and diversification, the officials said.

The antimonopoly law prohibits companies with capital of at least 35 billion yen or net assets of 140 billion yen or more, from holding shares in other companies in excess of their own capital or net assets, whichever is larger.

Along with a ban on holding companies, the rule, which does not apply to financial institutions, has prevented big companies from swallowing up others.

The Fair Trade Commission (FTC) maintains that the two bans should stay in force.

Claiming that the FTC's position runs counter to deregulation, MITI will ask an advisory panel to the head of its industrial policy bureau to work out measures to revise the antimonopoly law, the officials said.

The panel will compile a report on the issue by the end of this fiscal year.

In the meantime, the ruling tripartite coalition is trying to coordinate its members' views on whether the ban on holding companies should be removed.

The FTC has proposed that the ban should not apply only when a company separates an operation and becomes its holder. The proposal is aimed at forestalling the creation of pure holding companies in violation of the existing shareholding restrictions.

Japan: MITI Begins Review of Industrial Policies

OW1508142096 Tokyo *EKONOMISUTO* in Japanese
27 Aug 96 p 14

[Unattributed article: "MITI Puts Period to Factional Dispute and Moves Toward Reviewing Industrial Policies"]

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] — having completed for the time being the sweeping personnel reshuffle against the "gang of four" who played hostile roles in a three-year factional dispute — has begun reviewing its industrial policies. Yasuhiro Inagawa, director of MITI's Environmental and Industrial Location Bureau (who joined the ministry in 1967), Masakazu Toyoda, chief of the same bureau's general affairs division (who joined the ministry in 1973), and other officials are involved in the review.

The officials, who are acting as central figures in reviewing the industrial policies, maintained a neutral stand during the factional dispute, and Inagawa was picked for the position from MITI's International Trade and Industry Bureau in the Kanto area. This is an unprecedented appointment. Toyoda, when he was a member of the America-Oceania Division, helped Yoshihiro Sakamoto, former vice minister for international affairs, by steadily handling difficult tasks in negotiations with the United States. Reportedly, he enjoys the fullest confidence of senior officials. Meanwhile, Susumu Shirakawa, former secretary general for policy coordination minister's sec-

retariat, was assigned to the post of basic industries bureau director. It is said that he was the top among those who joined MITI in 1967. Naotoshi Osada (who joined MITI in 1971), was assigned to chief of the Basic Industries Bureau's General Affairs Division. It is the first selection from technical officials.

A leading MITI official said: "MITI officials, who were exhausted because they spent days and nights for the factional dispute, were not in the mood of having a serious debate over industrial policies. Even the industrial circles have begun to say that they no longer need the ministry. Mr. Watanabe feels a sense of crisis." The same leading official explained that MITI had decided to use the officials of neutral opinions in an attempt to regenerate itself by putting an end to the factional dispute. The ministry's goal is to regenerate domestic industries by enticing back to Japan companies that have moved to other countries.

Another leading MITI official said: "Finally, a full-dress administration will be created when Mr. Watanabe becomes deputy director general in June, 1997. Probably, a bill for a review of industrial policies will be introduced at that time." It seems that MITI officials also see the policy review as a gift for the "next director general" and that it is creating rosy conversation topics, which MITI did not have for a long time.

Japan: Construction Ministry Begins 'Driving Automation' Plan

OW1608060996 Tokyo *KYODO* in English
0549 GMT 16 Aug 96

["News Focus: Government Shifts 'Driving Automation' Plan Into 1st Gear"]

[FBIS Transcribed Text] Tokyo, Aug. 16 *KYODO* — The Construction Ministry has begun first-stage development of an "intelligent transport system" that calls for putting motorists into a fully automated driving seat by the year 2010.

The plan, to be implemented in stages, is expected to create a 50 trillion yen demand in such industries as information transmission, telecommunications and automobiles for the next 20 years, ministry officials said.

The United States has already embarked on a similar national project at an annual investment of 200 million dollars or more.

For the current fiscal year that started in April, the Japanese Government is allocating 41.8 billion yen for the new transport system, including a more advanced traffic navigation system.

While the conventional navigation system shows drivers the shortest way to a place in terms of distance, the new system will show the best way in terms of time while providing such key traffic information as traffic rules, traffic jams and parking, the ministry officials said.

The advanced traffic navigation system is already in use on major streets in the Tokyo metropolitan area and highways within a 100-kilometer radius of midtown Tokyo.

The ministry plans to expand the scope of the system's service area to major streets nationwide by the year 2005, the officials said.

Cumulative shipments of car navigation systems topped one million units in Japan by the end of fiscal 1995 ended in March.

Industry sources said an increasing number of motorists are expected to have their cars installed with such systems in line with technological advancement.

Another pillar of the ministry's new transport system is a "nonstop automatic payment system" for toll highways.

The basic idea is that vehicles with a user-identification card will be monitored by sensors placed at the tollgate, the ministry officials said.

Motorists will later pay charges for distance driven out of their own personal bank accounts.

The system could eventually replace tollgates, which force drivers to stop to pay fees and which often lead to traffic snarls, the officials said.

Traffic jams at tollgates are responsible for 55 percent of all traffic congestion on highways.

The automated toll payment system will also cut personnel and other management costs associated with tollgates, the ministry said.

The ministry projects starting pilot positioning of sensor gates by the end of 1998 and expects to fully utilize the system by the year 2000.

Such a system, to a greater or lesser degree, is already available in the United States, Europe and Southeast Asia, and technological competition in the area is likely to grow, the officials said.

The final goal of the overall plan, however, is total automation of the vehicle's driving system, which will be implemented in three phases.

The first stage is automation of a warning system. If vehicles are traveling too close, for example, a sensor or monitor on the side of the road will indicate a warning.

The second step will be an assisted driving system — a drive-control device on vehicles to automatically brake, slow or turn the vehicle into another lane when danger is detected.

The ministry says it can achieve the two steps by the year 2000.

The ultimate goal will be implemented by 2010, the ministry says, in which a sensor on the vehicle would monitor the overall driving situation and handle every aspect of driving — acceleration, braking and maneuvering of a steering wheel.

The Construction Ministry expects such fully automated driving to become a key solution to such problems as auto accidents and lost time due to traffic jams, and it will also promote the use of cars among the aged, the officials said.

Japan: NASDA Decides To Import Some Parts for H-2 Rocket

OW1508124096 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Aug 96 Morning Edition p 3

[FBIS Translated Text] The National Space Development Agency [NASDA] plans to launch its fourth H-2 rocket on 17 August from the Tanegashima Space Center (located in Kagoshima Prefecture). The giant domestic rocket will try to place into orbit the "ADEOS" [advanced earth observation satellite], an earth-observation satellite. The upcoming launch will turn the H-2 into a practical rocket, and NASDA envisions full-fledged entry into the world's commercial satellite launching business with the improved H-2 rocket (H-2A), which it plans to launch in 2000. Since NASDA has tentatively received a contract from the U.S. Hughes Group, the success of the upcoming launch is likely, all the more, to considerably affect NASDA's prospects for future contracts.

The first three H-2 rockets NASDA launched were "experimental models," the purpose of which was to retrieve flight data. The rocket to be launched next will be the first practical model. Many concerned Japanese space officials share the view that "this will be a golden opportunity to demonstrate to the world the reliability of Japanese space technology." The Rocket System Corporation (based in Minato, Tokyo; with Takaaki Yamada as president) will be in charge of manufacturing the rocket and taking orders.

The cost of manufacturing and launching the fourth H-2 rocket is approximately 19 billion yen, nearly twice the manufacturing and launching costs for major U.S. and European rockets. With the H-2's improved version "H-2A," however, NASDA plans to reduce launch costs

to less than 8.5 billion yen. This was the sales point in NASDA's negotiations with the Hughes Group.

With the eighth H-2 launch scheduled for 1999, NASDA plans to first reduce costs by approximately 5 billion yen by refining the H-2's two-stage rocket engine. With the improved H-2 rocket, NASDA also plans to drastically reduce costs by simplifying the main engine's structural design and adopting common parts used in various other rockets. NASDA also plans to procure components of the rocket's main body from the U.S. MacDonnell Douglas Corporation. In this way, NASDA intends to further reduce costs by giving up its insistence so far on using "purely domestic" parts.

Market demand for satellites is expected to sharply increase with regard to the multimedia and mobile telecommunications sectors. It is believed that market demand over the next five years will increase by 30-40 percent over the previous five years.

Currently in the works are international telecommunications projects involving the launching of some 60 to 800 satellites into low earth orbit, such as the "Iridium" and "Teledesic" projects advocated by U.S. Motorola, Inc., and Microsoft President Bill Gates, respectively.

Japan: Hosokawa Seen as Key Figure in Preelection Political Scene

OW1608062096 Tokyo EKONOMISUTO in Japanese
27 Aug 96 p 15

[Unattributed "Line Up" column: "Hosokawa's Excellent Performance Pushing Him as Key Figure on the Political Scene"]

[FBIS Translated Text] In view of political trends leaning toward an early dissolution of the lower house, former Prime Minister Morihiro Hosokawa, the "originator reformist," is resuming active performances calling for "administrative reform." Even Hiromu Nonaka, deputy secretary general of the Liberal Democratic Party [LDP], described Hosokawa as a "key person to shake the political scene."

Hosokawa has been quiet since Ichiro Ozawa's inauguration as Shinshinto [New Frontier Party] head last December; however, he began to demonstrate his presence since around late June. He is softening his anti-Ozawa position and deepening his involvement in Shinshinto management. Also, he tried to appeal his reformist stance by organizing the "Administration Reform Forum" in a tieup with Shusei Tanaka, Economic Planning Agency director general and member of New Party Sakigake, and Junichiro Koizumi, former posts and telecommunications minister and member of the LDP, as well as business leaders.

Of course, as a tactical performer, Hosokawa did not forget to show his personal interest in Yukio Hatoyama's proposal for a new liberal party. When the Administration Reform Forum announced an "emergency proposal on administrative reform" in early August, Hosokawa did not show up at the news conference, saying "my participation in the forum does not mean my breaking away from Shinshinto and joining the new party." This was also a great performance because he caught the attention of speculators even more effectively by not showing up. He is becoming an eye-catcher politician today.

Ozawa has recently hinted at supporting Hosokawa's "comeback" as prime minister, saying "I have no intention of pursuing the premiership." A Shinshinto dietman noted Ozawa's remark might have been made to "keep Mr. Hosokawa in Shinshinto." Hosokawa has secured the position as a key Shinshinto figure. It appears his performances are motivated by a strong sense of rivalry with new-generation reformists such as Hatoyama and Naoto Kan, health and welfare minister. But it is uncertain whether he is really serious about breaking away from Shinshinto or if he is just looking for a strong position within the party. The moody "lord's" course of action is a key to the future political scene.

Japan: Hatoyama's Younger Brother Continues Opposition

OW1608121796 Tokyo KYODO in English
1158 GMT 16 Aug 96

[FBIS Transcribed Text] Kwruiwaza, Japan, Aug. 16 KYODO — Kunio Hatoyama, younger brother of political maverick Yukio Hatoyama, refused Friday to drop his opposition to including two top ruling coalition politicians in a brand new party, sources said.

The sources said the two brothers met in the summer resort of Karuizawa in Nagano prefecture in central Japan in a bid to help lay the groundwork for a new political party that Yukio, chief secretary of New Party Sakigake, plans to form later this year.

The elder brother, 49, asked his 47-year-old brother to quit the largest opposition party Shinshinto (New Frontier Party) and join the new party, according to the sources close to the meeting.

Kunio told his brother that the two will join the same party in the spirit of "friendship and love." But he added that he would not budge on his demand that Sakigake leader Masayoshi Takemura and Tomiichi Murayama, chairman of the Social Democratic Party (SDP), should not belong to the new party.

Sakigake's Hatoyama came to Karuizawa on Thursday for a series of preparatory meetings with Health and Welfare Minister Naoto Kan and other young turks in Japanese politics.

Hajime Funada, an up-and-coming member of Shinshinto, is said to hope to see Hatoyama leave Sakigake as a precondition for his joining the New Party, other political sources said.

In a related development, Murayama said in an interview with a private television network in Oita in southwestern Japan that he will make a decision about his political career by mid-September.

North Korea

DPRK: Daily Stresses Need for Peace Mechanism

SK1608144496 Pyongyang MINJU CHOSON

in Korean 2 Aug 96

p 6 — DPRK Government newspaper

[Article by Yu Yong-su: "A Realistic Way To Ensure Peace and Stability on the Korean Peninsula"]

[FBIS Translated Text] The great leader Comrade Kim Il-song has taught:

"Easing tensions on the Korean peninsula and removing the danger of war is a basic condition for peacefully achieving Korea's reunification, as well as an urgent demand for defending peace in Asia and the world."

Broad strata of peace-loving people focus attention on ensuring peace and stability on the Korean peninsula today, because it is directly related to whether peace and security in Asia and the world is defended or not.

A situation that runs counter to the trend of the development of the worldwide situation is being promoted on the Korean peninsula at present.

The international situation has been headed toward reconciliation, detente, and peace since Cold War relations, which centered on the two superpowers, ended.

The confrontational relationship which existed among regions and countries and nations has been eased or brought to an end; reconciliation and peace have been promoted; and regional stability has become a trend.

However, a Cold War structure still remains on the Korean peninsula, and the situation has been further aggravated. The United States and the South Korean puppets are wholly responsible for this.

The bellicose elements of the United States and the South Korean puppets are repeatedly and openly showing their attempt to maintain and consolidate the legacies of the Cold War in South Korea and its vicinity,

and beef up maneuvers to militarily blackmail and crush [apsal] us.

In recent days alone, bellicose elements of the United States are raving about an "emergency" on the Korean peninsula and making a fuss to maintain and further strengthen the "mutual defense treaty," the "security treaty," and the triangular alliance.

In addition, with the South Korean puppets and the Japanese reactionaries, the bellicose elements of the United States are further beefing up their military action against us to fulfill at all costs their plan to crush the DPRK.

A while ago, the United States staged the "Rimpac-96" joint military exercise with the South Korean puppets, which was mainly designed to launch an armed invasion of our Republic, after mobilizing massive forces. Two U.S. aircraft carriers, approximately 40 warships, 250 aircraft, and approximately 30,000 personnel were mobilized in this joint military exercise staged in the Pacific.

Meantime, the United States is almost daily perpetrating military exercise commotions with the South Korean puppets, and thus is intensifying the situation on the Korean peninsula.

As a result, a grave situation never seen even during the Cold War era is being promoted. Military tensions on the Korean peninsula are developing into an unpredictable phase, and the breakout of a new war is a matter of time. The serious situation on the Korean peninsula, which may lead to war or peace, exerts a negative influence on the development of the worldwide situation. It is not difficult to predict that if a war breaks out on the Korean peninsula, it will have grave consequences for not only the peace and stability of this region, but also for the world's peace and stability and the development of mankind's civilization.

Therefore, in order to ensure peace and stability on the Korean peninsula and defend peace and stability in the world, we should ease tensions on the Korean peninsula and remove the danger of war.

The only realistic way to ease the tense situation on the Korean peninsula, remove the danger of war, and ensure peace and stability in this region is to establish a peace mechanism.

At present, the Korean peninsula has no legal or systematic mechanisms that can ease the prevailing situation and prevent grave consequences from this situation.

The Korean Armistice Agreement — signed to prevent the recurrence of hostilities and armed conflict on

the Korean peninsula — and the armistice supervisory mechanisms have been completely incapacitated by the deliberate destructive action of the United States and the South Korean puppets. This has left the Korean peninsula a vacuum that is dangerous in view of security. Under these circumstances, even a small misunderstanding or accidental occurrence would bring grave consequences to peace and stability on the Korean peninsula and in the world.

The government of our Republic, which has consistently made efforts to ensure peace and stability on the Korean peninsula, advanced a proposal for establishing a new peace mechanism on the Korean peninsula in step with the present situation in this region and the development of the international situation.

Our proposal for establishing a new peace mechanism has been positively supported by broad strata of peace-loving people of the world because it is realistic and just.

If a new peace mechanism were established on the Korean peninsula, the unstable armistice, which has continued in this region for a long time, would be brought to an end; the danger of war removed; and a decisive phase for ensuring a stable peace would be provided. This would also promote conditions favorable to improving the situation in Asia and ensuring peace and stability in the world. The establishment of a new peace mechanism would greatly contribute to ending the warring relations between the DPRK and the United States, improving the relations between them, and developing sound international relations.

Resolving the issue of establishing a new peace mechanism wholly depends on the responsibility and role of us and the United States.

We and the United States, as concerned parties to the Korean Armistice Agreement in reality, have the legal responsibility and obligation of ensuring peace on the Korean peninsula. For this reason, the issue of ensuring a stable peace on the Korean peninsula can be discussed and resolved only between us and the United States, who are directly responsible for such a peace.

We advanced a proposal for establishing a new peace mechanism in order to ensure peace and stability on the Korean peninsula, and we have made positive efforts to implement this proposal.

This year alone, we advanced a proposal for replacing the incapacitated Armistice Agreement with an interim agreement in order to prevent armed conflict and the recurrence of a war. This proposal contains provisions on the supervision of the Military Demarcation Line and the DMZ; ways to resolve armed conflicts and con-

tingencies; the formation of joint military organizations and their duties and rights; the revision and supplementation of the interim agreement; and other issues concerning stability and order.

The United States must immediately accept our proposal for ensuring peace and stability on the Korean peninsula. There is no reason or condition for the United States not to accept our peace proposal. If the United States, while trying to escape its responsibility, continuously turns a deaf ear to our new proposal for establishing a peace mechanism, this will be more strongly denounced by the people of the world. The United States must directly see the graveness of the prevailing situation and act with discretion.

The world is watching the attitude of the United States.

DPRK: Second Pomchonghangnyon Central Committee Meeting Held

*SK1308054896 Pyongyang KCNA in English
0443 GMT 13 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The second meeting of the Central Committee of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) was held at the Pyongyang Koryo Hotel on August 11-12.

Present there were presidium members of the North and overseas headquarters of Pomchonghangnyon, members of its Central Committee and delegates of the South Korean Federation of University Student Councils under the South headquarters of Pomchonghangnyon.

Discussed at the meeting were the final confirmation of the detailed program of the sixth grand reunification festival of Pomchonghangnyon, the examination of the preparations for the first general meeting of Pomchonghangnyon and the joint meeting of youth and students from the North, South and overseas for peace and great national unity, the review of the movement of Pomchonghangnyon and its future tasks and the deliberation of its platform and rules.

A full agreement was reached on the discussed matters at the meeting.

DPRK: Buddhists Pray for National Reunification

*OW1308004996 Pyongyang KCNA in English
2204 GMT 12 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 12 (KCNA) — A national mass of Buddhists praying for national reunification took place at the Pyohun temple in Mt. Kumgang, a famous mountain of Korea, on

August 12 on the occasion of the 51st anniversary of the country's liberation.

At the mass, a ceremony of praying for national reunification was held in accordance with the unanimous desire of the Buddhists across the country.

Speeches were made by most venerable Pak Tae-ho, chairman of the Central Committee of the Korean Buddhist Federation, monks and Buddhists from different parts of the country.

The speakers said that Korea's reunification must be achieved by the Korean nation itself on all accounts. To this end, the entire Korean nation must closely unite under the banner of the 10-point programme of the great unity of the whole nation set forth by the great leader President Kim Il-song and achieve the reunification through confederacy, the most realistic and reasonable reunification way which was discussed and agreed upon at the pan-national rally last year, they stressed.

They scathingly denounced the anti-national, anti-reunification moves of the Kim Yong-sam group and strongly urged abrogation of the "National Security Law", unconditional release of the pro-reunification, patriotic-minded figures, suspension of the reckless war exercises and withdrawal of the U.S. forces and nuclear weapons from South Korea.

The cause of national reunification will certainly be accomplished under the wise guidance of the respected general Kim Chong-il, who is true to the president's behests on reunification.

They called upon all the Buddhists in the North, the South and overseas to launch a powerful struggle to reunify the country and build an earthly paradise on this land in accordance with the Mahayanist Bodhi Sattva.

DPRK: MINJU CHOSON Lauds Seventh Pan-national Rally

*SK1308073196 Pyongyang KCNA in English
0514 GMT 13 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — MINJU CHOSON today carries an editorial welcoming the 7th pan-national rally, which will be held in Pyongyang, Seoul and overseas.

Pointing out that the rally is a proud victory of the pro-reunification, patriotic forces against the separatist forces, the editorial calls for powerfully demonstrating again the desire and determination of all the fellow countrymen to achieve the reunification of the country.

The editorial says:

Although the rally cannot be held in Seoul owing to the obstructive moves of the South Korean rulers, it is

opening separately in the North, the South and overseas on the scheduled date. This clearly shows that nothing can break the desire and will of the Korean nation for reunification.

To achieve the great unity of the whole nation is the banner which the seventy million fellow countrymen should uphold.

All the Koreans in the North, the South and overseas must closely unite on the principle of putting the common interests of the nation above all, transcending differences in ideology, political view, system and affiliation.

"Let Us Achieve the Great Unity of the Whole Nation" this is the banner to be upheld by the seventy million fellow countrymen.

"10-Point Programme of the Great Unity of the Whole Nation for the reunification of the Country" formulated by the great leader Comrade Kim Il-song is the most fair and aboveboard banner of national unity which is acceptable to anyone irrespective of differences in ideology, ideal, religious belief and party affiliation.

Those who are truly concerned about the future of the nation and who are desirous of national reunification must support and actively respond to this programme.

They must also more daringly struggle to found a pan-national unified state through confederacy on the three principles of national reunification — independence, peaceful reunification and great national unity.

For the present, they must wage a powerful struggle to resolutely check and frustrate the new war provocation moves and anti-DPRK smear moves of the separatists at home and abroad, get the "national security law" repealed and the "Agency for National Security Planning" dismantled, the tools which obstruct the national reconciliation and unity in South Korea and lay an obstacle in the way of reunification.

And they must launch a powerful nationwide struggle for the release of illegally imprisoned pro-reunification, patriotic figures in South Korea.

DPRK: History of Grand Reunification Festival Reviewed

*SK1308094996 Pyongyang KCNA in English
0933 GMT 13 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The ardent desire of the compatriots in the North and South of Korea and overseas for reunification is gaining momentum on the threshold of the Seventh Pan-National Rally (PNR) for peace and reunification of the country.

The PNR was planned to be held jointly in Seoul according to the decision of the joint presidium meeting of the National Alliance for the Country's Reunification (Pomminnyon) but will be held in Pyongyang, Seoul and Shenyang, China, owing to the obstructions of the South Korean authorities.

It has been held to mark August 15, the day of national liberation, every year since 1990. It was put on the order at the initiative of South Korean public figures of broad segments in August 1988. The first PNR was held on the occasion of the 45th anniversary of national liberation after the Pyongyang visit of Rev. Mun Ik-hwan in March 1989 and the meeting of compatriots at home and abroad for the promotion of national reunification held in Pyongyang.

The six PNRs were historic negotiations for reunification where the broad people in the North, South and abroad openheartedly discussed the historic tasks for national reunification and reached a consensus of opinions about them.

The rallies were not held jointly at the scheduled place but had to be held in Pyongyang, Seoul and Tokyo each time owing to the persistent obstructions of the partitionists at home and abroad. However, the same items were discussed according to the same program and joint documents adopted.

Present at the colorful political and cultural events and grand reunification marches held in the northern half of Korea were hundreds of overseas compatriots from different regions of the world every year.

The rallies were well decorated as they were attended by Pak Song-hui and Song Yong-song, delegates of the National Council of Student Representatives (Chondae-hyop), Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of University Student Councils (Hanchongnyon) under the South headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), Choe Chong-nam, director of the Joint Secretariat of Pomchonghangnyon, Cho Yong-sam, member of the Society for Assisting the Family Movement for Realizing Democracy, in the teeth of the obstructions of the South Korean authorities.

The first PNR took an epochal step to form Pomminnyon and, according to it, Pomminnyon was formed in November 1990 and Pomchonghangnyon was organized in August 1992 during the period of the third PNR and, thereby, a guarantee has been provided for pushing on with the reunification movement organisationally.

DPRK: Paper Dedicates Article to 7th Pannational Rally

SK1408035296 *Pyongyang KCNA in English*
0237 GMT 14 Aug 96

["NODONG SINMUN Calls For Reunifying Country With Unity of Nation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — NODONG SINMUN today carries an editorial article welcoming the seventh Pan- National Rally (PNR) for the peace and reunification of the country to be held today.

The daily says it is a good thing to hold the PNR to celebrate August 15, the day of the defeat of the Japanese imperialist aggressors and the liberation of the country by the great leader Comrade Kim Il-song and expresses the belief that the rally and the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification will be held successfully.

Achieving the country's reunification with the unity of the whole nation is Comrade Kim Il-song's earnest call on the Korean nation, the daily says.

It further says:

If all the fellow countrymen are united in the efforts for the reunification, our forces will be further enlarged and the reunification will be achieved earlier.

All the Koreans in the North, South and overseas should invigorate the nationwide struggle for reunifying the country through confederacy in line with the three principles of national reunification — independence, peaceful reunification and great national unity — and the 10-point programme of the great unity of the whole nation, which were put forward by Comrade Kim Il-song.

The Korean people will remain faithful and devoted to the great leader Comrade Kim Chong-il and redouble their efforts to achieve national unity and reunification under his wise leadership, true to Comrade Kim Il-song's lifetime intentions and behests. In this way, they will make this a "year of peace and great national unity" and promote the country's reunification, a long-cherished desire of the nation, without fail.

DPRK: Kim Yong-sun, Two ROK Students Attend Concert

SK1608035996 *Pyongyang KCNA in English*
0304 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — A reunification concert for peace and great

national unity was held by the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) here on Thursday.

Present there were Kim Yong-sun, secretary of the Workers' Party of Korea Central Committee and chairman of the Reunification Policy Committee of the Supreme People's Assembly; presidium members of the North headquarters of the National Alliance for the Country's Reunification (Pomminnyon); Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils, the South headquarters of Pomchonghangnyon; and members of the delegation of the overseas headquarters of Pomchonghangnyon.

In their speeches representatives of the North, South and overseas headquarters of Pomminnyon and Pomchonghangnyon voiced the hope that the indomitable spirit of all the Korean youths and students and their patriotic will to become vanguard in reunifying the country will surely promote national reunification.

The concert mirrored the resolution of the youths and students in the North, South and overseas to achieve national reunification without fail.

The performers fully showed deep reverence for the great leader President Kim Il-song, who made tireless efforts for the country's reunification and the Korean people's desire to acclaim the great leader General Kim Chong-il in the reunified country.

DPRK: Seoul Reports on Student-Police Clashes Cited

*SK1608081896 Pyongyang KCNA in English
0757 GMT 16 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — As many as 7,000 students under the South Korean Federation of University Student Councils (Hanchongnyon) clashed with police several times when they were holding events of grand reunification festival till late on Thursday evening, Seoul-based reports said.

Twelve helicopters flew above Yonsei University, the venue of the festival, pouring down tons of tear gas solution on the students. More than 6,000 riot police stormed the university campus with bulldozers breaking through the university gate.

Students, who climbed the roof of a seven-story building, hosed down water and hurled firebombs, rocks and laboratory equipment at riot police below from the windows.

They threatened to blow up a gas tank if police move in the building.

Meanwhile, students set fire to tires and broken chairs and desks piled up as barricades at the university campus to prevent the police from moving in the campus.

That day, about 1,000 students attempted, in the northern part of Seoul, to go to Panmunjom to greet the North-visiting students Yu Se-hong and To Chong-hwa.

They clashed with police who were blocking their way firing tear gas at random.

The puppet clique positioned more than 21,000 police Thursday in Seoul and on the roads to Panmunjom to bar the students from holding ceremonies for the grand reunification festival.

They arrested some 800 students.

DPRK: Group Denounces ROK's 'Suppressing' of Students

*SK1608144296 Pyongyang KCNA in English
1020 GMT 16 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — The North headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) in a statement on Thursday denounced the Kim Yong-sam group for brutally suppressing the South Korean students holding the sixth grand national reunification festival of Pomchonghangnyon in Seoul.

The statement said:

The will and ardour of the youth aspiring after peace and great national unity and national reunification should have prevailed in Seoul. But operations for putting down the peaceful reunification festival were committed by large police forces and all the repressive means including teargas liquid and volleys of canisters on the ground and in the sky day and night. This reminds us of the Kwangju massacre 16 years ago.

Today's Kim Yong-sam is not less than the Kwangju murderers Chon Tu-hwan and No Tae-u. Through Kim Yong-sam's brutal suppression the youth and students in the North, South and abroad see that he will certainly be imprisoned and face a disgraceful ruin.

The Kim Yong-sam group must immediately stop the inhuman fascist suppression of the patriotic students of South Korea and unconditionally release all the unreasonably arrested patriotic students.

The North headquarters of Pomchonghangnyon indicts the Kim Yong-sam group for committing the second

Kwangju violence in Seoul and will resolutely struggle to revenge the blood of our fellow students in the South on the fascist tyrants.

DPRK: Commentary Derides ROK's 'Brutal Repression'

SK1608081596 *Pyongyang KCNA in English*
0805 GMT 16 Aug 96 — Official DPRK news agency

["Fascist Sword-Brandishing of Separatists" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — MINJU CHOSON in a commentary today raps at the Kim Yong-sam group for engaging in brutal repression to foil the reunification-related events of students and people in Seoul to mark the day of national liberation, August 15.

The commentary says:

The repressive acts illustrate more vividly that the Kim Yong-sam group is really made up of fascist gangsters and heinous enemies of reunification who are ready to do whatever wicked and despicable act.

The acts also show that although they are paying lip service to inter-Korean "dialogue" and "four-way talks", they are utterly opposed to them in actuality.

The puppets' outcries for "dialogue" and "talks" are aimed at covering up their negative attitude to the nation, reunification and peace and impeding the development of relations between the DPRK and other countries.

If the puppets continue to make a ballad of "dialogue" while wielding batons against the pro-reunification patriots and students who joined the struggle for national unity and the country's reunification, they will face bigger hatred and denunciation by the people at home and abroad.

DPRK: Students Urge 'Peace-Keeping' System at Panmunjom Rally

SK1608041096 *Pyongyang KCNA in English*
0300 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — An indignation statement was made public at the meeting of Korean youth and students from the North, the South and abroad, which was held at Panmunjom Thursday for the establishment of a peace-keeping system on the Korean peninsula.

Calling for the establishment of a peace-keeping system, the statement said the youth and students will surely achieve the sacred cause of peace and peaceful reunification by their devoted efforts.

Owing to the United States and the South Korean authorities' moves, the country has been exposed to the danger of nuclear war which may break out any moment, it warned, and said:

The U.S. must no more do the dishonest act of insisting on the "maintenance" of the Armistice Agreement, which has been destroyed by itself, in an attempt to conceal its true colors as the mastermind of aggression and war. The South Korean authorities must immediately stop the moves to attain their bellicose and separatist purpose, arguing that "the issue should be settled between the North and the South."

The U.S. and the South Korean authorities must discontinue large-scale war exercises against the North and sincerely respond to the Korean nation's demand for the establishment of a peace system on the peninsula.

If the Kim Yong-sam "government" bar one million students of the South Korean Federation of University Student Councils from coming to Panmunjom, it will be severely punished and the U.S., backing and instigating it, will not get off scotfree, either.

DPRK: Kim Yong-sam Group Denounced for 'Smear Campaign'

SK1408121396 *Pyongyang Korean Central Broadcasting Network in Korean*
0753 GMT 11 Aug 96

[Unattributed talk: "Vicious North-South Confrontation by the Kim Yong-sam Ring"]

[FBIS Translated Text] The Kim Yong-sam ring has more viciously perpetrated an anti-Republic confrontation and war maneuvers in defiance of the aspirations and earnest desire of all fellow countrymen who hope for reconciliation, unity, and reunification.

The traitor Kim Yong-sam is groundlessly slandering and smearing our Republic in earnest. In connection with the fact that the old man Yi In-mo returned from the United States after undergoing medical treatment, the puppets used their patronized mass media to launch a groundless smear campaign, stating the North had sent him to the United States for medical treatment as part of a political maneuver to propagandize its humanitarianism and to slander the human rights policies of successive South Korean regimes.

If the Kim Yong-sam ring had the slightest human conscience or humanitarianism, it would have supported us, we who brought in a man whom the South had almost killed, who revived him with the greatest sincerity, and who sent him to a very far away country for medical treatment to help him completely re-

cover his health. Then the Kim Yong-sam ring recklessly slandered and criticized its fellow countrymen, groundlessly raving that we sent the old man Yi In-mo to the United States for political propaganda. They are a group of vicious immoral people who do not know fellow countrymen or basic morality. The Kim Yong-sam ring more viciously perpetrated anti-Republic confrontational maneuvers on the second anniversary of the death of the great leader [widaehan suryongnim], the nation's father. Kim Yong-sam took away numerous university graduates who two years ago played leading roles in the establishment of altars for the death of the nation's father. He also banned the chairman of the National Federation of General Student Councils [Hanchongnyon], the chairman of the Hanchongnyon Committee of the Peaceful Reunification of the Fatherland, and other leaders of Hanchongnyon; the chairman of the Seoul District Federation of General Student Councils [Sochongnyon]; and some dissidents from leaving the country. The puppets took this fascist measure, saying these people planned to send consolatory groups to Pyongyang on the second anniversary of the death of the great leader [widaehan suryongnim].

The fascist clique unhesitatingly committed such an inhumane and antinational fascist act as ordering the investigation of Hanchongnyon, which released a consolatory statement on the second anniversary of the death of the great leader [widaehan suryongnim].

The puppets' inhumane crime committed on the second anniversary of the death of the great leader [widaehan suryongnim] is a brutal act of committing another crime on top of their first unforgivable crime of aiming guns at the sad hearts of their fellow countrymen who were in national mourning, and of brutally suppressing South Koreans who were sharing grief with their fellow countrymen.

We will strictly settle accounts with the Kim Yong-sam ring for its detestable crime of inflicting incurable wounds on our painful hearts, and will make it pay dearly.

The Kim Yong-sam ring is further perpetrating its maneuvers to suppress people who are waging the struggle to hold dialogue and achieve unity with us. The puppets ordered the arrest of the chairman of Sochongnyon and the chairman of the Hanchongnyon Committee for the Peaceful Reunification of the Fatherland, both of who exchanged fax messages with the North Headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon] during the inaugural meeting of the fourth Hanchongnyon leadership. A little while ago, they arrested and detained Cho Song-u, chairman of the Policy Committee of the

National Congress for Independent and Peaceful Reunification, for violating the notorious the National Security Law, alleging that he sent South Korean figures to engage in overseas contacts with us and had them draft an agreement supporting the proposal for founding the confederal republic of Koryo and demanding the withdrawal of the U.S. forces occupying South Korea. In addition, last year they issued prison terms to Chong Min-chu and Yi Hae-chong, who returned to South Korea after visiting the northern half of the Republic as representatives of the South Headquarters of Pomchonghangnyon.

These oppressive maneuvers by the puppets are antinational and antireunification crimes to suppress the ever-growing aspirations of the South Korean youth, students, and people for national reconciliation and reunification as well as to inspire enmity and confrontation toward us.

The bellicose Kim Yong-sam group is bringing in more war materiel and military supplies from overseas, accelerating the buildup of the puppet forces, and perpetrating military provocations and war exercises against us to provoke a war of northward invasion.

These days, the traitor himself is prowling around areas very close to the Military Demarcation Line and enumerating bellicose, violent remarks gravely inciting us.

All these facts show that the Kim Yong-sam ring is a vicious civilian fascist group and a nation-selling and treacherous group that pays no heed to the fatherland's reunification, our nation's earnest desire. It is very clear that neither unity nor national reunification is possible while the Kim Yong-sam ring is left intact. The South Korean puppets must more vigorously join the struggle to check and frustrate the puppet clique's vicious anti-Republic confrontation maneuvers and overthrow it.

The Kim Yong-sam traitorous group, which is making last-ditch efforts to find a way out in a North-South confrontation and war maneuvers, will not be able to escape from ruin.

DPRK: ROK Amnesty Denounced as 'Claptrap Tactics'

*SK1508051696 Pyongyang KCNA in English
0458 GMT 15 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The South Korean puppet government announced that there would be a special amnesty and reinstatement on the occasion of the day of national liberation, according to a radio report from Seoul. [quotation marks as received]

The move is, in a word, a claptrap tactics of the Kim Yong-sam group, isolated and rejected at home and abroad, to emerge from the ruling crisis.

Among those who were granted "amnesty" are culprits of the "Sixth Republic" including the "Chongwadae [presidential offices] senior secretary of diplomacy and security", "minister of finance" and "minister of labor", who amassed illegal wealth.

The "amnesty" measure is a political drama which can be seen only in South Korea where Kim Yong-sam, the kingpin of thieves, seized power.

In South Korea patriotic-minded people and students who are devotedly struggling for the reunification of the country and democracy of South Korean society are suffering behind bars as victims of the "National Security Law", while the thieves have been granted "amnesty" and "reinstated". This is one of the blackest crimes which can be committed only by the traitor Kim Yong-sam, a truculent national separatist and fascist.

The Kim Yong-sam group must abolish the "National Security Law" and release all the arrested patriots who are fighting for democracy, instead of playing such a deceptive drama as "amnesty".

DPRK: Commentary Denounces 'Absurd Remark' by Japanese Official

SK1308144396 *Pyongyang Korean Central Broadcasting Network in Korean*
1222 GMT 10 Aug 96

[Commentary by Kim Ho-sam: "We Denounce Japanese Chief Cabinet Secretary's Absurd Remark"]

[FBIS Translated Text] The anti-Republic hostile policy of the Japanese authorities is being carried to a very grave stage. According to a report, while lecturing in Fujiyoshida in Yamanashi Prefecture on 8 August, Japanese Chief Cabinet Secretary Kajiyama said that in case of an emergency on the Korean peninsula, armed groups in the guise of so-called refugees will arrive in Japan, and in such a case, Japan may become involved. He stressed that to prevent this, it is necessary to urgently enact legislation to cope with such an emergency.

This is an absurd remark unprecedented in the history of Japan's constitutional government, and is designed to drive relations between the DPRK and Japan toward a phase of all-out confrontation. It is the most vicious challenge facing our Republic. We recognize that the absurd remark of the Japanese chief cabinet secretary as an open expression of an extremely grave hostile policy toward our country, and resolutely condemn and denounce this with seething national rage.

When looking back, many governments were replaced in Japan following the end of World War II, and each of those governments have unexceptionally carried out a hostile policy toward us. However, there were no governments before the current Hashimoto government that so intensively and viciously clung to the anti-Republic hostile policy. An intensive expression of this is the provocative remark by Kajiyama.

As everyone knows, he is a spokesman for the Japanese Government. Thus, his remarks cannot simply be regarded as personal opinion. The problem lies in why he made such insidious remarks and where his real intentions lie. His real intentions lie in making legal grounds to achieve Japan's ambition to reinvade Korea in case of an emergency by accelerating their attempts to become a large military power and by arming themselves with nuclear weapons.

Recently, the so-called theory on taking measures in case of an emergency in the area around Japan has emerged quite frequently in Japan. Needless to say, this theory would allow Japan to rapidly respond in case of an emergency in any location near Japan. In other words, the Japanese reactionaries are trying to establish the right of military control and domination by exercising force at any time and in any region of Asia, using the cloak of counteraction in case of an emergency around Japan. Thus, the impending target is none other than the Korean peninsula.

ASAHI SHIMBUN commented that a counteraction in case of an emergency around Japan would focus on a possible emergency on the Korean peninsula. In reality, these days Japan continuously babbles about a possible emergency on the Korean peninsula. In the case of Kajiyama, to realize Japan's ambition to reinvade Korea, he needed such sophistry as the enactment of legislation for an emergency around Japan as well as the so-called armed group in the guise of refugees in Japan and an internal dispute.

However, the Japanese authorities cannot by any means rationalize their ambition for overseas invasion with that kind of sophistry. It only reveals Japan's peculiar constitutional cunning and aggressive tactics.

Next, we cannot but observe with vigilance as the absurd remarks by the Japanese chief cabinet secretary occur at a time when the Japanese prime minister visited Yasukuni Shrine, and at a time when high-ranking figures of Japan's political circles continuously beautify and embellish Japan's past crimes.

As everyone knows, the Japanese prime minister recently visited Yasukuni Shrine and prayed for the bliss of Japan's special class of war criminals in his official

capacity as prime minister of Japan, an act which has not been seen during the past ten years.

On the other hand, high-ranking figures of the Japanese Government and Diet have recently consistently beautified and embellished Japan's past crimes. Regardless of the different expressions, they all have the purpose of realizing the past dream of the Greater East Asia Co-Prosperty Sphere.

Coinciding with such ambitions to revitalize their militarism, the fact that the Japanese chief cabinet secretary called for the enactment of an emergency legislation in Japan shows that corresponding to their overseas expansion, Japan is trying to domestically fascistize and [word indistinct] their legal system.

However, such attempts by the Japanese authorities are the road that will lead Japan toward its own destruction, as shown by Japan's past history. If the Japanese authorities are truly worried about Japan's security, they should not go follow the road of confrontation with us, but should move along the road of concluding good neighborly relations with us. To achieve this, their crime-filled past must be correctly liquidated. By doing this, DPRK-Japan relations will be normalized and a situation favorable for Japan's security will be created.

Japanese Chief Cabinet Secretary Kajiyama must withdraw the absurd remarks he made, and must apologize before all the Korean people. We will closely observe the behavior of the Japanese authorities hereafter.

DPRK Daily Denounces Remarks by Japanese Cabinet Secretary

SK1408071396 *Pyongyang Korean Central Broadcasting Network in Korean*
0855 GMT 13 Aug 96

[NODONG SINMUN 13 August commentary: "They Should Not Recklessly Run Amok"]

[FBIS Translated Text] Japanese Chief Cabinet Secretary Kajiyama made absurd remarks that were extremely agitating to us on 8 August. In a forum in Yamanashi Prefecture held that day, he made the following preposterous sophistry: In the event of a clash on the Korean peninsula, refugees would come to Japan, and it is possible that a large number of armed, camouflaged refugees may be included in them. The two Korean associations in Japan may also wage street demonstrations or guerrilla warfare in Japan.

He then said that the Japanese Self-Defense Forces are not prepared to cope with this as they have no experience in dealing with street demonstrations, thus stressing the need for the legislation of an emergency law on this.

Historically, with a hostile policy against the DPRK, the Japanese authorities have egged on confrontation with us, persistently raising outcries over our country. Kajiyama's recent remarks are the most vicious challenge to us, and they show that the Japanese reactionaries' maneuvers to drive DPRK-Japan relations into a phase of intense confrontation under the pretext of an emergency on the Korean peninsula have reached an extremely reckless level.

Reinvasion and overseas expansion are invariable ambitions persistently pursued by the Japanese reactionaries. To this end, as everyone knows, the Japanese reactionaries have fiercely accelerated preparations to become a military power and have prepared the Self-Defense Forces to be capable of carrying out any war of aggression.

To legislate an emergency law is the only thing left to justify their military moves to realize the ambition of reinvasion and overseas expansion. An emergency law is a law for times of war. The remarks that a group of armed refugees may enter Japan and that the two Korean associations may also carry out street demonstrations or guerrilla warfare in the event of an emergency on the Korean peninsula, are nothing but a trick to legislate an emergency law, which allows the mobilization of not only the Self-Defense Forces, but all human and material resources for the all-out reinvasion of Korea and overseas expansion. The remarks are also aimed at legalizing the armed suppression on Koreans and Korean ethnic organizations in Japan.

High-level officials of Japan, including the Japanese prime minister, have recently committed undisguised acts of open worship at Yasukuni Shrine, calling the ghost of militarism and have made a series of absurd remarks beautifying past crimes. We cannot but have utmost alertness against the absurd remarks made by Kajiyama at this time and take a serious view of it.

Now, mankind's conscience strongly demands that Japan apologize and provide compensation for its past crimes. The liquidation of the past is an unavoidable legal responsibility and moral obligation of Japan. Far from implementing the obligation, the Japanese reactionaries are maneuvering to attempt a reinvasion, driving DPRK-Japan relations into a confrontation phase. We cannot but connect this with their brigandish act of refusing to liquidate its past against us.

If it had even a small amount of will to liquidate the past, Japan would not drive the situation into a tense one while raising an outcry over us, as it does today. Hostile relations between the DPRK and Japan were created in history. The longer these hostile relations last, and the more acute they become, the less favorable things

become for Japan. We can never remain an onlooker to the Japanese reactionaries' attempt to invade our Republic again by adhering to the hostile policy against the DPRK, without liquidating the past. Our people's patience has its limits. Our people will make Japan pay for its past crimes without fail.

Kajiya, a person with an important position in the Japanese Government as chief cabinet secretary, must bear responsibility for his remarks and make an official apology to our people. Our people are sharply watching Japan's maneuvers to reinvade Korea. The Japanese reactionaries had better not to rashly run wild, captivated by expansive delusion.

DPRK Paper Decries Remarks by Japanese Cabinet Secretary

SK1408084096 *Pyongyang KCNA in English*
0817 GMT 14 Aug 96

["Revelation of Persistent Ambition" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The recent criminal remarks of the Chief Cabinet Secretary of Japan, Kajiya, came at a time when in Japan the prime minister and other rulers visited Yasukuni Shrine to beautify and whitewash their past crimes. We cannot but take a serious note of this with the highest vigilance.

MINJU CHOSON says this in a commentary today.

The daily notes:

The utterances of Kajiya openly revealed Japan's intention to enact a "law on contingency" at any cost to justify their moves for reinvasion of Korea and overseas expansion and legalize the suppression of the General Association of Korean Residents in Japan (Chongnyon) and other organisations of Koreans in Japan and Koreans there.

The very bellicose and frantic outcries fully show what extent the moves of the Japanese reactionaries to lead the DPRK-Japan relations to a phase of confrontation have gone to.

They are trying to hurt the DPRK, obsessed with a fever of reinvasion. This is, however, a foolish dream.

If they invade the DPRK, they will get nothing but ruin. They must not act rashly.

Japan should make an apology to all the Korean people for the remarks of Kajiya and renounce at once the reckless hostile policy toward the DPRK.

DPRK: Japan's Sea Lane 'Defence' Called Military Domination

SK1408084196 *Pyongyang KCNA in English*
0826 GMT 14 Aug 96

["What Japan's Plan for 'Defence of Sea Lane' Seeks" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — "Defence of sea lane in new era" the Japanese reactionaries are advocating nowadays is aimed at putting the Asia-Pacific nations under Japan's domination and, furthermore, binding them completely in a military way, says NODONG SINMUN in a by-lined article today.

The author of the article continues:

As the plan reaffirms the aggressive plan mapped out by the Japanese reactionaries long ago, it illustrates that they seek for overseas expansion more zealously after the end of the Cold War and are running amuck to materialize it by dint of military power.

The "defence of sea lane in new era" is a new motto Japan put up after the end of the Cold War, and it is no different from the aggressive doctrine raised by the Japanese imperialists in their aggression of the Asia-Pacific region in the past.

The Japanese authorities' method of thinking is just like that of samurais in the past days, but their ambition for overseas expansion is running higher than those days.

Their plan for "defence of sea lane in new era" is a duplica of the "Greater East Asia Co-Prosperity Sphere".

They scheme to start aggression of Asia in Korea.

The Asian people should heighten vigilance against the Japanese reactionaries' move for overseas expansion.

DPRK: Japan's Chongnyon Donates 'Patriotic Rice'

SK1608133696 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 16 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] The Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon] donated patriotic rice to the socialist homeland with its desire to contribute to rapidly clearing away the flood damage in the homeland.

A donation ceremony was held at the People's Palace of Culture on 16 August.

Present at the ceremony were Yang Man-kil, chairman of the Pyongyang Municipal Administrative and Economic Committee, and other officials concerned, and

members of the delegation of Chongnyon economic officials headed by Kim Chin-to, director of the Economic Affairs Department of the Chongnyon Central Standing Committee staying in the socialist homeland.

A donation note on the 10,000 tonnes of patriotic rice from the Chongnyon Central Standing Committee was conveyed at the donation ceremony.

The head of the delegation said that they were greatly encouraged by the efforts of the home people for overcoming difficulties in the spirit of arduous march under the leadership of the great leader general Kim Chong-il [widaehan yongdoja kimjongil changgunnim], and that the patriotic rice represents the mind of Chongnyon functionaries and Korean compatriots in Japan to help toward clearing away the flood damage.

Participants saw the work of unloading the patriotic rice at Nampo Port.

DPRK: Socialist Youth League Official Denounces Japan's Kajiyama

*SK1608100096 Pyongyang KCNA in English
0949 GMT 16 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Choe Hwi, secretary of the Central Committee of the Kim Il-song Socialist Youth League, issued a statement today denouncing Japanese Chief Cabinet Secretary Kajiyama for provoking the DPRK recently.

Kajiyama told a symposium in Yamanashi Prefecture on August 8 that in case a conflict breaks out on the Korean peninsula, a large number of "refugees" will come to Japan, some of them may be "false refugees," weapons may be supplied to them and "street fighting or guerrilla warfare may occur in Japan" because the North and South of Korea have their overseas organisations in Japan.

The statement condemns this remark as a dangerous outburst to drive the DPRK-Japan relations to a phase of confrontation on the pretext of a possible "crisis on the Korean peninsula" and as a vicious provocation that reveals Japan's ambition for reinvasion of Korea.

The young Koreans are determined to rise up as one and smash Japan's reinvasion of Korea if it dares to do so, ignoring the will of the young and other people of Korea, says the statement, warning the Japanese authorities not to act rashly.

DPRK: Japanese Professor Releases Photos of Flood-Stricken Area

*OW1408171696 Tokyo ASAHI SHIMBUN
in Japanese 14 Aug 96 Morning Edition p 2*

[FBIS Translated Text] Saitama University professor Yasuhiko Yoshida returned home from the DPRK (North Korea) on 13 August after inspecting areas hit by torrential rains in late July, and released photos taken there. Speaking about the situation of North Hwanghae Province, he said: "The flood hit the paddy fields just when paddies were in bloom. As far as I could see, they were covered with water and entirely destroyed." According to him, a senior official of the DPRK Flood Disaster Relief Headquarters revealed his outlook, saying that "the recent flood will cause a crop shortage of 1.5-2 million tons," just as last year's floods did.

Yoshida visited the DPRK from 8 to 13 August as a member of the Science Friendship Delegation at the North Korean Chuche Idea Academy's invitation. He inspected Kangwon Province and the most severely stricken area in North Hwanghae Province on 12 August. In this province, overflowing rivers broke banks, covering paddy fields with water from 24 to 28 July. Some people, who had fled to their friends' houses after losing their houses due to the flood, told Yoshida that "Houses were swept away by a flash flood in a split second."

A senior official at the Flood Disaster Relief Headquarters explained that 116 people were killed, 3.27 million suffered from damage, and about 290,000 hectares of farmland, about 20 percent of total farmland, were damaged during the flood. He then requested further humanitarian assistance from the international community.

DPRK: State Organs' Assistance to Flood Victims Reported

*SK1608025496 Pyongyang KCNA in English
0245 GMT 16 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Commissions and ministries of the Administration Council and state organs of the Democratic People's Republic of Korea have assisted flood victims in Kangwon and South Hwanghae Provinces and other afflicted areas.

Recently, they sent some 71,000 pieces of relief goods to the flood-stricken areas.

The Central Committee of the Kim Il-song Socialist Youth League assisted victims with some 27,000 pieces of relief goods such as garments, school things and foodstuff.

Among the helpers were the Ministry of Electric Power Industry and the Mansudae Art Studio.

Assistance to flood victims continues.

DPRK: Chang Chol Meets Visiting Laotian Delegation

SK1608100196 *Pyongyang KCNA in English*
0942 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Vice-premier Chang Chol met and had a friendly talk with the visiting delegation of the Ministry of Information and Culture of Laos led by Vice-minister Bounteng Vongsay [name as received] at the Mansudae Assembly Hall today.

Present was Song Pong-sun, vice-chairman of the DPRK Information Committee.

The head of the delegation said that he will further strengthen friendship and unity between the two countries, and mutual support and cooperation in the domains of information and culture.

He was convinced that the Korean people will certainly overcome temporary difficulties, repulse the enemy pressure and achieve victory under the wise and tested leadership of their great leader Comrade Kim Chong-il.

He sincerely wished Comrade Kim Chong-il a long life in good health and greater success in the cause of national reunification and socialism.

DPRK: Pak Song-chol Meets Turkish Party Delegation

OW1308005196 *Pyongyang KCNA in English*
2216 GMT 12 Aug 96

[FBIS Transcribed Text] Pyongyang, August 12 (KCNA) — Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers Party of Korea (WPK) and vice-president, today met and conversed with the delegation of the Workers Party of Turkey led by Chairman Dogu Perincek at the Mansudae Assembly Hall.

On hand was Kim Yang-kon, deputy director of a department of the WPK Central Committee.

The head of the delegation said that the Workers Party and people of Korea are working hard to carry through the behests of President Kim Il-song and that the Workers Party of Turkey is learning much from the Korean people's spirit of overcoming difficulties.

Under the leadership of the WPK the Korean people are taking the lead in accomplishing the cause of global independence, he noted, and went on: the world people are encouraged by the struggle of the Korean people

for smashing the U.S. imperialists' moves to isolate and stifle Korea.

He said that his party would actively support the struggle of the Korean people and fight always shoulder to shoulder with them in the struggle against imperialism.

Recalling the time when the great leader President Kim Il-song received him, he stressed he would actively strive for the establishment of diplomatic relations between the two countries.

DPRK: Pak Song-chol Holds Talks With Turkish Party Delegates

SK1608074596 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 12 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] Comrade Pak Song-chol, a member of the Political Bureau of the Workers Party of Korea (WPK) Central Committee and vice president, met with a delegation of the Workers Party of Turkey led by its Chairman (Dogu Perincek) and held talks in an amicable atmosphere at the Mansudae Assembly Hall on 12 August.

Present there was Kim Yang-kon, deputy director of a department of the WPK Central Committee.

At the talks, Chairman Dogu Perincek said that the WPK and the Korean people are vigorously struggling to achieve President Kim Il-song's behest.

He pointed out: Our party is learning many things from the spirit of the Korean people to overcome difficulties. Under the leadership of the WPK, the Korean people are taking the initiative in accomplishing the cause of the world for independence. The struggle of the Korean people, who are advancing by smashing U.S. imperialists' maneuvers for isolation and stifle, gives strength to the world's people. Our party will actively support the Korean people's struggle and always fight shoulder to shoulder with the Korean people in their struggle against the imperialists.

Recalling the time when he was received by President Kim Il-song, the chairman said that he will actively make efforts to establish diplomatic relations between the two countries.

DPRK: Yi Chong-ok, Kim Yong-nam Attend Birthday Party for Castro*SK1308071996 Pyongyang KCNA in English
0507 GMT 13 Aug 96*

["Party Given on 70th Birthday of Fidel Castro Ruz" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The government of the Democratic People's Republic of Korea gave a party at the Mansudae Assembly Hall Monday to celebrate the 70th birthday of Comrade Fidel Castro Ruz, first secretary of the C.C. [Central Committee], the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba.

Invited to the party were Cuban ambassador to Korea Jose Ramon Rodriguez Varona and his embassy officials and Cuban visitors.

Vice-President Yi Chong-ok and Vice-Premier and Foreign Minister Kim Yong-nam, who are Politburo members of the C.C., the Workers' Party of Korea [WPK], and officials concerned were present there.

Addressing the party, Yi Chong-ok said, "I am authorized by the great leader Comrade Kim Chong-il to express, on behalf of the WPK Central Committee, the DPRK Government and the Korean people, warm congratulations to esteemed Comrade Fidel Castro Ruz on his 70th birthday."

He said:

"Comrade Fidel Castro, a great son of the Cuban people and the supreme leader of the Cuban revolution, has been highly respected and trusted by the Cuban people and widely known among the Korean people, for the great feats he performed for the revolution.

"We note with high appreciation that the fraternal Cuban people are defending the country and the revolution and the gains of socialism even in adversity, and we extend full support and solidarity to their just cause."

"We will strive," he declared, "to further expand and develop the fraternal relations of friendship and cooperation between Korea and Cuba, true to the behest of the great leader Comrade Kim Il-song as well to the intention of Comrade Kim Chong-il to set store by and steadily develop those relations."

Jose Ramon Rodriguez Varona said, "We are very happy that the close intimacy forged between Comrade Fidel Castro and Comrade Kim Il-song, supreme leaders of the two countries, is now being further deepened under the wise leadership of Supreme Commander Comrade Kim Chong-il."

"It is a responsible duty of the Cuban and the Korean people faithful to their leaders to develop the bilateral friendship on the highest level," the ambassador stressed.

Concluding his speech, he confirmed that they would make all effort to deepen the relations of friendship between the two countries and further tighten the bilateral links in defending the most valuable gains of the two peoples.

DPRK: Dailies Praise Fidel Castro on 70th Birthday*SK1308095596 Pyongyang KCNA in English
0938 GMT 13 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — Pyongyang-based papers today dedicate articles to the 70th birthday of Comrade Fidel Castro Ruz, a faithful son of the Cuban people and the supreme leader of the Cuban revolution.

The articles extend warm congratulations and fraternal greetings to Fidel Castro and the Cuban people on this anniversary and wish them a fresh success in their future struggle.

A signed article of NODONG SINMUN says:

Comrade Fidel Castro is a staunch revolutionary and anti-imperialist fighter who has devoted his all to the independence and liberation of Cuba, socialism and the happiness of the people, and to the strengthening and development of the international communist movement and non-aligned movement.

He set forth the revolutionary idea "for the victory of socialism in Cuba", led the party and people to the struggle for socialism and thus built the first socialist state in Cuba.

Today, the Cuban people are confidently advancing along the road of socialism, closely rallied around the Communist Party of Cuba led by Comrade Fidel Castro.

Particularly, although the imperialists are launching a more vicious offensive to stifle socialist Cuba, the Cuban people are stepping up socialist construction under the uplifted banner of socialism under the leadership of Comrade Fidel Castro.

All the victories and achievements made by the Cuban people in the revolution and construction are unthinkable without his leadership.

The Korean people are rejoiced as over their own over the achievements made by the Cuban people and extend full support and firm solidarity to their struggle for socialism.

Korea-Cuba friendship is making a long way toward victory and demonstrating its invincible vitality as it is based on the deep comradeship and intimacy forged between the great leader Comrade Kim Il-song and the respected Comrade Fidel Castro.

The Korean people will make every possible effort to further develop the traditional friendship and unity.

A signed article of MINJU CHOSON says that Comrade Fidel Castro has wisely directed the Cuban revolution toward victory and glory with an ardent revolutionary zeal and indomitable fighting spirit.

DPRK: Castro 'Will Live Up to Comrade Kim Chong-il's Trust'

SK1508085996 *Pyongyang KCNA in English*
0852 GMT 15 Aug 96 — Official DPRK news agency

"I Will Live Up to Comrade Kim Chong-il's Trust, Declares Fidel Castro Ruz" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Fidel Castro Ruz, first secretary of the C.C. [Central Committee], the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of Cuba, stressed, when he met the delegation of Foreign Ministry of the DPRK on August 12, that he will live up to the trust shown by the great leaders Comrade Kim Il-song and Comrade Kim Chong-il.

Vice-Minister of Foreign Affairs Kim Chang-yong, the head of the delegation, handed a gift and the DPRK order of friendship 1st class to Fidel Castro Ruz which were sent by Comrade Kim Chong-il on the occasion of his 70th birth anniversary.

Fidel Castro Ruz said:

"Receiving the warm congratulations, the valuable gift and order sent by Comrade Kim Chong-il on the day before my birthday greatly encourages me and makes me harden my determination to continue to struggle with greater strength and courage.

"I will treasure the gift and keep with honour the order carrying the trust of Comrade Kim Chong-il, the party, government and people of Korea."

He expressed the belief that the Korean people will overcome all difficulties with fortitude and revolutionary spirit and achieve a great victory in the struggle for socialist construction and national reunification. "The friendship between the DPRK and Cuba will be immortal", he said.

DPRK: Kim Chong-il Sends Birthday Greetings to Jiang Zemin

SK1608095396 *Pyongyang KCNA in English*
0946 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, today sent a message to comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the PRC Central Military Commission, congratulating him on his 70th birthday.

The message says:

Since you took the important post of the Chinese party, state and army, you have devotedly worked for the strengthening of the party, stability and unity in the country and the modernization of national defence.

The Chinese people, under the leadership of the CPC headed by you, carried out the 8th Five-Year Plan of national economy and social development, which was of importance in the building of socialism with Chinese characteristics, and are now making achievements in the efforts for attaining a new long-term objectives.

The message further says:

Our people well know that the Chinese party and government are deeply interested in the strengthening and development of traditional friendship between the two countries and feel grateful for their support for our socialist construction.

Believing that the deep-rooted Korea-China friendship will continue developing in the interests of the two peoples, I sincerely wish you big success in your responsible work for the prosperity and reunification of the country, as well as good health and happiness.

DPRK: SKNDF Sends Kim Chong-il Message on Liberation Day

SK1508050696 *Pyongyang KCNA in English*
0445 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory message from the Central Committee of the National Democratic Front of South Korea [SKNDF] today on the occasion of the 51st anniversary of the liberation of the country.

The respected leader Comrade Kim Il-song was the great liberator, legendary hero who saved the country

and the nation from the misfortune of a ruined country and a peerless patriot who created a new history of national restoration, the message said, and pointed out:

The great leader Comrade Kim Il-song worked out the unique line, strategy and tactics of struggle and guerrilla tactics to drive the Japanese imperialist aggressors into an abyss of horror and death and broke through unheard-of hardships in the van eventually to achieve the great cause of national restoration.

It was under his outstanding and tested leadership that the northern half of Korea after the liberation overcame the colonial lopsidedness and feudal backwardness and carried out complicate and serious social revolution of different stages for the building of a new society in a short span of time and thus set a global example.

It is a noteworthy exploit for the country and the nation that he perfectly solved the issue of the inheritance of leadership to accomplish the *chuche* cause he pioneered in the dense forests of Mt. Paektu with his extraordinary foresight.

He, a lodestar of national reunification, worked heart and soul to open a new turning phase of national reunification to the last moment of his great life.

The most brilliant exploits the great leader made, devoting his all, mind and soul, to the sacred cause for the country, nation and people, will shine for all ages.

His glorious and ever-victorious history of struggle is successfully being carried forward by Comrade Kim Chong-il.

It is the greatest feats for the fatherland, the nation, era and humankind that the respected General Kim Chong-il majestically built up the Kumsusan Memorial Palace as the sacred temple of *chuche* and paramount national treasure of the Kim Il-song nation where the fatherly leader Comrade Kim Il-song is preserved in state.

To hold the respected Comrade Kim Chong-il in high esteem as the great leader is the greatest happiness and fortune of the nation.

True to the behest of the fatherly leader on national reunification, we will firmly unite around General Kim Chong-il and expel the outside forces from South Korea, and overthrow "civilian"- veiled dictatorial regime so as to achieve genuine freedom and liberation and bring earlier the day of independent reunification without fail.

The congratulatory message sincerely wished Comrade Kim Chong-il a long life in good health.

DPRK: Paper Lauds Kim Chong-il's 'Benevolent Politics'

SK1608083096 *Pyongyang KCNA in English*
0808 GMT 16 Aug 96 — Official DPRK news agency

["Benevolent Politics, Source of Korean People's Noble Traits" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, August 16 (KCNA)* — The Korean people display the noblest mental and moral traits of devotedly serving society and collective, unfailingly loyal to the party and the leader. Their communist traits are a splendid fruition of the respected general Kim Chong-il's benevolent politics based on love and trust.

NODONG SINMUN says this in an article today.

It says:

The benevolent politics of the Workers Party of Korea makes ours the most revolutionary people with a strong sense of obligation to repay the love and trust by the party and the leader and enables them to enjoy a worthwhile life and happiness in a large harmonious family, trusting, loving and helping each other.

It also gives all the members of society a valuable socio-political life and looks after their material and cultural life and physical life.

The benevolent politics helps the people have a *chuche*-based view of life, a revolutionary view of deeming it the greatest pride and happiness to devote oneself to society, collective and comrades.

The Workers' Party of Korea, on the basis of this view, considers it to be the greatest traits that the people seek a pride and happiness in devotedly struggling for society and collective.

DPRK: Kim Chong-il Receives Letters From Koreans in China

SK1608031696 *Pyongyang KCNA in English*
0236 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] *Pyongyang, August 16 (KCNA)* — The great leader Comrade Kim Chong-il received letters from the International United Confederation of Koreans and the Federation of Korean Nationals in China on the occasion of the 51st anniversary of the liberation of the country.

The letters extended the warmest congratulations to Comrade Kim Chong-il on the occasion.

The great leader President Kim Il-song led the anti-Japanese revolutionary struggle to victory and achieved national liberation so that overseas Koreans could live

with the pride of having their motherland, the letters said, adding that overseas Koreans advance towards a bright future with a firm confidence thanks to General Kim Chong-il.

The respected general wisely leads all the fellow countrymen to fight for national reunification under the banner of the 10-point programme of the great unity of the whole nation, they said, and continued:

President Kim Il-song worked out the most just and reasonable policies and plans for national reunification including the 10-point programme of the great unity of the whole nation and sagaciously led the whole nation to work for the reunification cause and opened up radiant vistas for it.

The letters expressed the resolution of overseas Koreans to devote their all to national reunification, the most urgent task of the nation, for which the president so earnestly hoped and General Kim Chong-il works heart and soul.

The letters sincerely wished General Kim Chong-il a long life in good health.

DPRK: Sakchu County Marks Anniversary of Kim Il-song Guidance

SK1608052696 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 13 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] Today is the significant day marking the 30th anniversary of the on-the-spot guidance given to Sakchu County by the great leader [suryongnim] and the respected and beloved general.

Marking this significant day, functionaries and working people in Sakchu County are recalling with deep emotion the past 30 years of history which the county has traversed amid warm love extended by the fatherly leader and the respected and beloved general. They consolidated their resolution to make the county a better town by loyally upholding the general's leadership.

Kim Pyong-san, responsible guiding official in the Sakchu County Administrative and Economic Committee, and Comrade Kim Yun-sun, worker in the Sakchu Foodstuff Plant, state:

[Begin Kim Pyong-san recording] Our Sakchu County, just as other cities and counties of the nation, has brought about a great change in all domains, including political, economic and cultural, amid benevolent love of the great leader [suryongnim] and the respected and beloved general.

The great leader [suryongnim] has visited Sakchu County, an isolated mountain village far away from the capital, more than 100 times, and the respected and beloved general also visited our county nearly 100 times. Thus, they gave precious teachings for rapid progress in politics and economy. This fact alone shows the great love extended to our county by the fatherly leader and the respected and beloved general.

We know about a number of days when the fatherly leader and the respected and beloved general devoted their efforts to the development of our county and to the happiness of the people. These days, however, we have not forgotten this day from 30 years ago.

Hearing a report that children in the county are fed with 200 grams of milk each day, the fatherly leader and the respected and beloved general were greatly satisfied, and warmly instructed that all kindergarten children be provided with new clothes.

That day, the fatherly leader and respected and beloved general also toured a foodstuff plant and a fabric plant in our county. By meeting one by one comrades engaged in weaving cloth, the fatherly leader kindly asked about their ages, how long they worked in the plant, and about works their husbands were doing. He taught that housewives are also assigned to the plant to do better work, thus extending great benevolence.

Thirty years have passed since that historic time. During these past days, our county has changed beyond recognition. Modern high-rise residential buildings have been packed in our county, a small mountain county, and modernization of local industry plants, including a foodstuff plant and fabric plant, has been vigorously accelerated. As a result, the county is now able to meet all demands by itself, and enjoys a rich life without envying any others. [End Kim Pyong-san recording]

[Begin Kim Yun-sun recording] No matter how long time may pass by and how the mountains and rivers may change, we cannot forget benevolence extended to our county by the great leader [suryongnim] and respected and beloved general.

By deeply cherishing the pride in living and working in the site of honor, we will better manage the plants and continue to normalize the production.

We will thoroughly implement the on-the-spot guidance given by the fatherly leader by visiting our county, as well as the instruction of the respected and beloved general. Thus, we will make our county the best county and the people's paradise. [end Kim Yun-sun recording]

DPRK: Rally Participants Lay Baskets at Statue of Kim Il-song

SK1308152196 *Pyongyang KCNA in English*
1517 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The participants in the Seventh Pan-National Rally (PNR) and the Sixth Grand Reunification Festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) today laid floral baskets and bouquets and bowed before the statue of the great leader President Kim Il-song on Mansu Hill.

Among them were Kim Yong-sun, secretary of the Workers' Party of Korea Central Committee and chairman of the Reunification Policy Committee of the Supreme People's Assembly; Yu Mi-yong, chairwoman of the Chondoist Chongu Party Central Committee; and Yo Yon-ku, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, Paek In-chon, chairman of the North Headquarters of the National Alliance for the Country's Reunification (Pomminnyon); Ho Chang-cho, chairman of the North Headquarters of Pomchonghangnyon, and leading officials of political parties, public organisations and religious organisations.

Also seen there were the delegation of the overseas headquarters of Pomminnyon led by Yu Tae-yong, co-chairman of the U.S. Headquarters of Pomminnyon; the delegation of the Overseas Headquarters of Pomchonghangnyon led by Pak Ku-ho, co-chairman of the Overseas Headquarters of Pomchonghangnyon; overseas compatriots and working people in Pyongyang.

In his address Paek In-chon said the respected leader President Kim Il-song was the greatest thinker, statesman and saint in the history of the Korean nation and humankind. "He was also the tender-hearted father of the people and the great sun of the nation who provided the most just and reasonable program of national reunification," Paek In-chon noted.

"It is the highest glory and greatest fortune of our nation to have the respected General Kim Chong-il, who is the living image of President Kim Il-song and has demonstrated the dignity and honor of Kim Il-song's nation with outstanding ideas and leadership, and the leader of the nation and the lodestar of national reunification," he said. "Guided by him, we will surely achieve the reunification of the country."

Earlier, the participants in the events made a march in the city.

Starting from the Arch of Triumph Square, they marched in high spirit with placards reading "The

great leader Comrade Kim Il-song will always be with us," "Let us uphold General Kim Chong-il, lodestar of national reunification, to accomplish the cause of reunification" and flags.

On the street many citizens warmly welcomed the marchers, who were chanting slogans of reunification.

DPRK: Overseas Pomminnyon Delegates Visit Kumsusan Palace

SK1408051996 *Pyongyang KCNA in English*
0429 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The delegation of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) led by Yu Tae-yong, co-chairman of the headquarters in the United States of Pomminnyon, and the delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) led by Pak Ku-ho, co-chairman of the overseas headquarters, on Tuesday visited the Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state.

Members of the delegations paid their respects before his statue and then made deep bows to the president, who lies in state.

They looked round with keen interest a train car used by the president for his on-site guidance and foreign trip, and a car he used in the last days of his life and wrote down their impressions in the visitor's book.

Yu Tae-yong wrote that the great leader Generalissimo Kim Il-song put forward "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" and three principles for national reunification and that overseas officials of Pomminnyon firmly vow to struggle for reunification, overcoming all difficulties.

Pak Ku-ho set down in the book that they came to the motherland for national reunification to which the generalissimo devoted his all and that they renewed their resolution to see the respected General Kim Chong-il on the platform of the square of reunification after seeing the fatherly leader, who lies in state.

DPRK: Meeting Held To Fulfill Kim Il-song's Reunification Behest

SK1408105096 *Pyongyang KCNA in English*
1031 GMT 14 Aug 96

[FBIS Transcribed Text] Panmunjom, August 14 (KCNA) — A meeting to vow to fulfill the great

leader President Kim Il-song's behest on reunification was held this morning in front of his grand autograph monument to reunification built here.

Inscribed in the monument are the autograph letters "Kim Il-song, July 7, 1994" which was written by him on a document about national reunification, the day before the end of his precious life.

Present at the meeting were Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Reunification Policy Committee of the Supreme People's Assembly, Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party, Paek In-chun, chairman of the North Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and compatriots at home and abroad.

Speaking at the meeting, Kim Yong-sun said that President Kim Il-song is the great lodestar of national reunification. "President Kim Il-song indicated the three principles of independence, peaceful reunification and great national unity, the proposal for reunification through confederacy and the Ten-Point Programme of the Great Unity of the Whole Nation to lay the basic cornerstone of national reunification," the speaker said.

He stressed: "We take a solemn pledge before the grand autograph monument to reunification that we will accomplish his behest on reunification under the leadership of the great Comrade Kim Chong-il and build a pan-national reunified state on the rock-firm foundation of national reunification laid by the president through tireless efforts and, thereby, discharge our honorable duty as befits the soldiers and disciples of the president.

Paek Nam-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, and Choe Hwi, secretary of the C.C. [Central Committee], the Kim Il-song Socialist Youth League and vice-chairman of the North Headquarters of Pomminnyon, spoke at the meeting.

They vowed to thoroughly implement the president's behest on reunification by devoting all their strength and wisdom to the sacred cause of accelerating the independent and peaceful reunification of the country through the great unity of the nation, bearing deep in mind the reunification programme indicated by him in his lifetime.

The poem "Eternal Glory to the Grand Autograph Monument to Reunification" was recited at the meeting.

It adopted a resolution.

DPRK: Lao Delegation, Foreign Guests Visit Kumsusan Palace

SK1608032296 *Pyongyang KCNA in English*
0240 GMT 16 Aug 96 — *Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — The delegation of the Ministry of Information and Culture of Laos, the delegation of the China Institute of Contemporary International Relations, the Japanese "Ship of Peace" youth friendship visiting group, the delegations of the Women's Union officials and businessmen under the General Association of Korean Residents in Japan, the home-visiting group of the union of the Korean students in Japan and the 270th home-visiting group of Koreans in Japan who are staying in the socialist homeland visited the Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state on Aug. 15.

They paid their respects before the statue of the great leader and made deep bows to the president, who lies in state.

They looked with keen interest round a train car used by the president for his on-site guidance and foreign trip, and a car he used in the last days of his life.

Bounteng Vongsay, head of the Lao delegation, wrote in the visitor's book that President Kim Il-song's cause will surely be victorious, Korea will be reunified and happiness awaits the Korean people, thanks to the great leader Comrade Kim Chong-il. He added that he paid his greatest respects to the president and prayed for his immortality in the hearts of the Korean and world people.

Shen Qurong, head of the Chinese delegation, wrote that the revolutionary spirit of the respected president will be handed down to posterity for all ages.

DPRK: South Hwanghae Farm Workers Protect Crops From Heat Damage

SK1608070896 *Pyongyang Korean Central Broadcasting Network in Korean*
2000 GMT 13 Aug 96
— *DPRK-owned central radio network*

[FBIS Translated Text] Agricultural workers in Yonyang cooperative farm in Haeju, South Hwanghae Province, who live and work with the spirit of the arduous march by upholding the red flag, are satisfactorily carrying out the struggle to prevent damages to crops from the high temperatures.

Under the guidance of party organizations, the farm concretely explained to workers in charge of rice paddy water management about technical demands in

preventing damages caused by high temperature, thus carrying out technical guidance substantively.

Workers in charge of rice paddy water management in the workteam No. 2 reinforced rice paddy ditches and took good care of waterways so as not to waste even a drop of water. Thus, they actively introduced a flowing water supply method [hurumsik muldaegi pangbob].

Workers in charge of rice paddy water management in other workteams, keenly realizing the importance of water management in rice paddy farming, are also managing rice paddy water in a satisfactory manner. Thus, they are ensuring standard water temperatures at all times in the rice paddies.

DPRK: Crops 'in Good Condition' in South Hwanghae's Ongjin County

*SK1608015796 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 13 Aug 96
— DPRK-owned central radio network*

[FBIS Translated Text] The cooperative farms in Ongjin County, South Hwanghae Province, are maintaining their secondary crops of corn and kaoliangs in good condition. The farm members of Wonsa Cooperative Farm and Up Cooperative Farm, who are living and working in the glorious land which was visited by the fatherly leader, are working to accelerate the effective weeding work on the corn and kaoliang fields which were planted as secondary crops by giving manure in accordance with scientific and technological demand, to ensure that the crops grow well.

The other farms in the county, including Changsong and Naengjong cooperative farms, also set up specific plans to grow secondary crops well. At the same time, by organizing work in detail, they are keeping each stalk of crop in good condition.

DPRK: Electricity Producers Strive to Increase Power Production

*SK1608070796 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 13 Aug 96
— DPRK-owned central radio network*

[FBIS Translated Text] Functionaries and electric power producers in the Guidance Bureau for Hydroelectric Power Stations in the Ministry of Power Industry, who have unanimously risen in the struggle to implement the party's revolutionary economic strategy with the spirit of the arduous march by upholding the red flag, are effecting innovations in electric power production.

According to the summarized data, each hydroelectric power station has brilliantly achieved the first half-year plan and the July plan. In this spirit, each power station was able to proudly overfulfill daily plans each day in August.

Electric power producers in Changjingang Power Station carried out operations and works boldly and on a large scale by cherishing the idea of further glorifying immortal leadership achievements of the fatherly leader and the respected and beloved general. Thus, the station workers completed remodeling of a large-size transformer only in few days, and supplied electric power to many sectors of the national economy in a timely manner without incurring any loss.

Electric power producers in Kanggye Chongnyon Power Station and Hochonggang Power Station provided scores of types of parts by themselves, and repaired power-generating facilities in a timely manner. Thus, they increased production of electric power by enhancing the operational rate of facilities and fully operating the generators.

DPRK: Primary Consumer Goods Production Increase Reported

*SK1608044696 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 13 Aug 96
— DPRK-owned central radio network*

[FBIS Translated Text] Upholding the party's intent to increase the primary people's consumer goods, the plants and enterprises under the Pyongyang Local Industrial Combined General Bureau are waging a vigorous, successful struggle to increase the production of primary consumer goods.

Comrade Sol Hak-hyong, director of the Pyongyang Local Industrial Combined General Bureau, who was interviewed by the station reporter Kim Chol-su, said the following:

[Begin Sol Hak-hyong recording] Upholding the party's intent to increase primary people's consumer goods, the plants and enterprises under our Pyongyang Local Industrial Combined General Bureau are now waging a continuous, vigorous, and successful struggle in the spirit of overfulfilling the July production target for primary consumer goods.

The leading plants and enterprises under the Combined General Bureau are Nangnang Paper Plant, Pyongyang Ceramic Ware Plant, Taesong Ceramic Ware Plant, Pyongyang Cosmetic Plant, [Chunghyo] General Foodstuff Plant, Pyongyang Daily Necessities General Plant, and

[word indistinct] plant. In these plants, the functionaries and workers are united in one mind and will and are displaying the spirit of the Arduous March, thereby overfulfilling the daily production targets of the primary consumer goods by 20 to 30 percent every day.

In particular, Pyongyang Ceramic Ware Plant and Taesong Ceramic Ware Plant introduced good production method using local material, and are overfulfilling the daily production targets of the primary consumer goods by over 30 percent, while improving the quality of the goods.

Pyongyang Cosmetic Plant actively introduced a new technological innovation plan and are introducing the quality of the goods, while reducing the consumption of caustic soda.

Without self-applauding, we will continue a vigorous struggle with the spirit of the Arduous March and produce good primary consumer goods to supply the inhabitants here. [end recording]

DPRK: Senior Middle School That Produced 15 Heroes Profiled

SK1308100996 *Pyongyang KCNA in English*
0946 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The Hero Yongwon Senior Middle School is in Sinpo city, South Hamgyong Province, on the coast of the East Korean Bay in the northeast of Korea.

This ordinary country school has produced 15 heroes.

The first hero is Ko Hyon-pin, a brave tankman who hoisted a flag of the DPRK on the puppet capitol building in the Seoul liberation battle during the fatherland liberation war.

Hong Cho-ui is the second hero. While scouting the enemy's rear, he unexpectedly encountered enemy troops and bravely stood on a rock shouting "hands up. You are surrounded." Thus, he captured some 80 enemy soldiers and many arms including mortar and machine gun in 5 minutes.

Han Yong-ki, Ko Hyon-uk and Yu Song-mok valiantly fought for national reunification. Naval officer Kim Han-chu saved a fishing fleet of Kajin in dangerous wind and waves. Airman Chin Pyong-tu shot down many enemy planes and killed enemies en masse. Exploits of DPRK heroes including them are handed down through generation along with their alma mater.

There are many labour heroes in socialist construction among the graduates who fostered their dream, hearing stories about heroes.

Labour hero So Yol-sok made special exploits in the construction of the world-famous West Sea [Yellow Sea] Barrage and was called "Doctor of Barrage" and "Hero of Barrage" by the fatherly leader President Kim Il-song.

Kim Kuk-hyon, Kang Song-kun and others, who had been officials of the Youth League of the school, performed feats at the construction of the Kumgangsan Power Station and tideland reclamation, great creations of the Workers' Party era.

Exploits of the heroes are the pride of their alma mater.

The examples of loyalty they set during their school days serve as a model for the students of the school.

The school brings up the students into reliable heirs to the chuche revolutionary cause who are boundlessly loyal to the fatherland, people, era and revolution and sensitive to the new and have a strong initiative spirit.

South Korea

ROK Urges U.S. Contacts for SOFA Revision in Sep

SK1608062696 *Seoul TONG-A ILBO in Korean*
16 Aug 96 p 2 — South Korea's second-largest and second-oldest daily newspaper

[Report by Pang Hyang-nam]

[FBIS Translated Text] On 15 August, the government officially asked the United States to hold working-level negotiations for the revision of the Status of Forces Agreement (SOFA) in September.

A Foreign Ministry official said on this day: "Through a diplomatic channel, our side strongly called on the United States to accede to our request that working-level negotiations be held in September." He then added: "Our side received a positive response that 'the United States will exert maximum efforts for this.' The United States is currently reviewing the draft of the SOFA revision which was conveyed by our side last March."

Due to the U.S. side's insincere attitude, ROK-U.S. contacts for the SOFA revision have not taken place since the sixth round of working-level negotiations last March.

ROK: Unification, Security Meeting Considers Aid for DPRK

SK1608104396 *Seoul YONHAP in English*
1035 GMT 16 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The government on Friday decided to take a set

of follow-up measures related to President Kim Yong-sam's South-North peace and cooperation plan disclosed in his liberation day message Thursday.

The decision was made in the belief that the president's latest plan featuring the benefits North Korea could enjoy when it accepts the proposed four-way talks, has moved the four-way meeting proposal a step closer to reality.

At a unification and national security policy coordination meeting, the government also observed that North Korea's food situation would aggravate this year because of another round of extensive flood damage reported toward the end of last month.

A government source said that the meeting decided to consider furnishing humanitarianism-motivated assistance through international organizations even before the North's acceptance of the four-way meeting, separate from any large-scale government-level aid.

The attendees, sharing the view that the North's food problem is not any passing phenomenon but a chronic question stemming from structural problems, agreed to review providing the kind of assistance such as farming equipment and knowhow that can help boost the North's farm productivity, the source said.

They further decided to expand inter-Korean economic cooperation step by step with the planned participation in the Sonbong-Najin investment forum as a momentum, the source added.

The coordination meeting, held at the office of South-North Dialogue under the chair of Deputy Prime Minister Kwon O-ki, was attended besides Kwon by Defense Minister Yi Yang-ho, Agency for National Security Planning (NSP) Director Kwon Yong-hae, Chief Presidential Secretary Kim Kwang-il, Senior Presidential Secretary Yu Chong-ha and Vice Foreign Minister Yi Ki-chu.

ROK: PRC Hands Novelist Over to ROK Embassy in Beijing

SK1608082896 Seoul YONHAP in English
0820 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — China handed over novelist Kim Yong Friday, who mistakenly slipped into North Korea via northeastern China late last month, to the South Korean embassy in Beijing, Foreign Ministry spokesman So Tae-won said.

The embassy will take Kim, better known as his pen name Kim Ha-ki, to Seoul as soon as possible so he

can be interrogated by law enforcement authorities, So said.

North Korea handed Kim over to Chinese authorities Tuesday in Yongchong [Longjing], Yanbian Ethnic Korean Autonomy Prefecture.

Kim disappeared from a North Korean restaurant in Yanji, Jilin Province, late last month after he went there along with a few friends after climbing Paektu mountain.

North Korea then said on Aug. 5 that Kim illegally entered North Korea through northern China which borders North Korea, adding that it was going to return Kim for humanitarian reasons.

ROK: DPRK Soldier Defects to South Korea Via DMZ

SK1608013096 Seoul YONHAP in English
0120 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — A North Korean soldier defected to South Korea early Friday morning through the Demilitarized Zone (DMZ), the Defense Ministry said.

The defector, identified as Staff Sergeant Chang Chol-pung, 23, crossed the Military Demarcation Line (MDL) north of Chorwon, Kangwon Province, to a sentinel post of a South Korean Army unit around 3:10 AM [1810 GMT], according to Ministry Spokesman Yun Chang-no. Chang belongs to the 5th Army Division of North Korea's 5th Army Corps.

Dressed in combat fatigues, he carried a dagger and a field phone with him.

Chang has reportedly told military investigators that he defected to South Korea due to food difficulties which he said have worsened as grain rations in the Army got reduced in the wake of recent floods.

The North Korean Army recently reduced the daily grain rations in some units from the previous 800 grams to 600 grams, Defense Ministry officials noted.

Chang cited manhandling as another motivation for his defection.

The defector has his father Kil-su, 60, and brother, Chol-man, 30, in the North, the ministry said.

ROK: DPRK Soldier Defected 'Because of Hunger'

SK1608100696 Seoul YONHAP in English
1001 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Yonchon, Kyonggi Province, Aug. 16 (YONHAP) — The North Korean soldier who defected to the South early Friday morning by crossing the demilitarized zone in the west-central frontline area, said later in the day he chose to escape to the South because of hunger.

"About 10 soldiers die of hunger a year at a division on the average," staff sgt. Chang Chol-pong said in a press conference at a forward South Korean Army unit at 1:30 PM.

He said food supply has been reduced even in the military and recently food supply was suspended altogether following late last month's heavy rains.

The defector said he was assigned in the North to 1st Platoon, 7th Company, Civil Police Battalion, 5th Division of the People's Army 5th Corps.

"In the military, we ate low-quality rice introduced from China from time to time. In most other meals, we were served so-called special foods, that were, flour pastry or corn gruel," he said.

Chang said he resolved to defect to the South about six months ago after learning through leaflets flown from the South that the South Korean people are leading decent lives.

He said he slipped out of his unit around 9 PM Thursday and crossed a high-voltage anti-personal [as received] fence at a point where the fence was damaged due to the recent downpours.

North Korea hastens to repair the damaged fence to discourage southward defectors, but is facing much difficulty because of the lack of materials and available personnel while there are so many points needing repair, the defector said.

Chang said his father, two brothers and two sisters live in Tongdaewon district of Pyongyang.

ROK: KOTRA Director Visits DRPK To Discuss Office Opening

SK1608010796 (Internet) The Joong-Ang Ilbo WWW in English 16 Aug 96 — *World Wide Web-based electronic version of CHUNGANG ILBO, carrying English-language summaries of articles, editorials, etc. appearing in vernacular version of hardcopy paper*

[FBIS Transcribed Text] Hong Chi-sun, director of North Korean affairs at the Korea Trade-Investment

Promotion Agency (KOTRA), visited Pyongyang on August 9 and is currently staying in the city to consult over the opening of a trade office in Najin-Sonbong free trade zone in North Korea, a high-level government official said Wednesday. Director Hong plans to leave Pyongyang on the 15th and return via Beijing. The official said, "Director Hong visited North Korea at the invitation of North Korea's Committee for the Promotion of External Economic Cooperation and they will reach a final conclusion on opening KOTRA's office at the Najin-Songbong free trade zone." He added, "the office could open in very near future."

Another government official also said that in view of recent movements towards improving inter-Korean relations, Director Hong could also have discussed South Korea's rice aid to the North.

ROK: 'Two Faces' in DPRK's Attitude Toward ROK Viewed

SK1608111796 Seoul CHOSON ILBO in Korean 16 Aug 96 p 3 — *South Korea's largest and oldest daily; strongly nationalistic and anti-North Korean*

[Article by Kim Yon-kwang]

[FBIS Translated Text] North Korea is showing the two faces of peace and war in its recent attitude toward South Korea. North Korea sent the novelist Kim Haki (38, pen name Kim Yong) to China on 15 August, closing the case in 15 days. North Korea's other choices could have been: quick repatriation, deporting Kim after a trial, deporting Kim after having him serve a term imposed by the court, or detaining him by claiming "he defected to the North of his free will." North Korea made the most unlikely choice. On 12 August, North Korea voluntarily returned through Panmunjom the body of South Korean Kang Tae-hui (31), which was found drifting in the North Korean West Sea [Yellow Sea].

While in Japan and Hong Kong in July, Kim Chong-u, chairman of the North Korean Committee for the Promotion of External Economic Cooperation, earnestly asked ROK companies "to participate in the September Najin-Sonbong investment seminar as much as possible." North Korea has also allowed a working-level ROK Government delegation and journalists to participate in the seminar. Kim Chong-u even allowed himself to be interviewed by an ROK reporter, although he made it a condition that the reporters write without any additions or subtractions.

In contrast to such appeasement gestures, North Korea's "reunification propaganda," including the anti-South propaganda and the instigation of the reunification

struggle, is still the same as in the past. At the pannational rally held at Panmunjom on 14 August, Kim Yong-sun, secretary of South Korean affairs for the Workers Party of Korea, personally urged the South Korean people to "join the national struggle to achieve the reunification of the fatherland." The 9 August edition of NODONG SINMUN supported the Korean Federation of General Student Councils [Hanchongnyon] as "a proreunification and patriotic force that advocates reunification through a federation with the communists and with the North." The paper urged: "Let us rise on a pannational level to the struggle to eliminate the South Korean regime."

North Korea's anti-South propaganda and threats have maintained the highest tone. "(The South Korean Government's decision to prohibit the pannational rally) is a crime of the ages that cannot be tolerated in thousands of years." (NODONG SINMUN 10 August) "If South Korea continues to harm our (North Korean) people who are working overseas, an unpleasant situation will take place." (KCNA 10 August)

ROK Government officials believe that North Korea's two-faced attitude is to strengthen its strategy "to separate the civilian from the government." Some officials pointed out that the return of novelist Kim ha-ki is "a North Korean way of expression urging humanitarian aid." An official of the Ministry of National Unification said: "North Korea's strategy is to seek gains through civilian contacts, such as North-South economic cooperation and humanitarian aid, and reject dialogue and contact with the ROK Government."

North Korea accepted a telephone message stating that the ROK would deliver four bodies of North Korean residents that had drifted to the South in the floods, but refused to receive a telephone message from Kang Yong-hun, president of the Korean National Red Cross, proposing a resumption of Red Cross talks. This can be said to be based on the same strategy.

ROK: Kumaratunga: Sri Lanka Seeks Financial Aid From Seoul

SK1408094296 Seoul YONHAP in English
0902 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Sri Lanka is discussing the possibility of receiving further financial assistance from South Korea, Sri Lankan President Chandrika Bandaranaike Kumaratunga said Wednesday.

Colombo is particularly seeking an industrial loan for small and medium-sized businesses in Sri Lanka and the extension of credit through next year, she told reporters at the Lotte Hotel in downtown Seoul.

In her talks with President Kim Yong-sam, she said she hoped that Korean companies would both increase their activity in the garment industry as well as diversify into other sectors, especially in high technology.

She also discussed increasing the number of Sri Lankan industrial trainees into South Korea, proposed industrial parks in her nation and car assembly projects with leading Korean businessmen.

Kumaratunga also expressed her hope that South Korea, the largest foreign investor in Sri Lanka, would continue to pour more money and projects into her nation, adding that her nation's incentives for foreign investment was the best in all of Asia.

Sri Lanka also hopes for the eventual unification of the Korean peninsula, she said.

"We support all discussions that lead to the unification of Korea. We, as a friendly Asian neighbor, would like to see Korea united again."

ROK: Seoul Asks Colombo To Take Measures for Workers' Security

SK1608014396 Seoul YONHAP in English
0123 GMT 16 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The South Korean Embassy in Colombo, Sri Lanka, Thursday called on the Sri Lankan Government to take proper measures to enhance security for South Koreans working in various development projects in the Indian Ocean island state, a Foreign Ministry official said Friday.

The embassy evacuated to Colombo 19 Koreans working at the telecommunications facilities construction site in northern Sri Lanka as soon as the site was bombed by Tamil rebels, the official said.

The rebels recently made two telephone calls to the embassy, warning of terrorist attacks unless the South Korean Government halts its economic cooperation with the Colombo government, the official said.

Wednesday's bombing of the Korean workers at telecommunications facilities construction site by the rebels, however, caused no casualties, the official said.

ROK: Economic Institute Shows Concern Over Indonesia's Unrest

SK1608080296 Seoul YONHAP in English
0601 GMT 16 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — Anti-government demonstrations in Indonesia have

been creating fear that the business climate for foreign companies in the southeast Asian country will get worse.

Samsung Economic Research Institute, in a report entitled, "The Recent Development in Indonesia and Its Impact," released Thursday, forecast that the situation would not get worse than it has been, and short-term effect of the unrest would not be great.

The economic institute, a research arm of Samsung Group, pointed out President Suharto's ability to take control of the country's political power after more than 30 years of rule, and the powerful influence of the military, which has been the support base of the current government, despite the public grumbles.

The institute, however, expressed concern that South Korean exports to the southeast Asian country could decline, if the current turbulence translates into a recession, in particular, machinery, and electronic and electric products, and consumer products to some extent, if Indonesia's overseas Chinese business community's activities are hurt.

The research arm of South Korea's giant business group said the environment for long-term investment would be affected, considering that Suharto has been in power for such a long time and so advanced in age, and with a possible internal squabble inside the ruling circle, making its future outlook uncertain.

South Korea had 262 investments in Indonesia totaling 950 million U.S. dollars in 1995, with the bulk of them in such industries as forestry, and oil and gas and other resources development projects, followed by electronics, petrochemical, textile, food and beverage and others.

By business group, Samsung led with 12 investments worth 81 million dollars, followed by lg group with seven investments worth 73 million dollars, Hyundai with 15 million dollars over seven cases, and Daewoo with three investments worth 5 million dollars.

Kia Motors is planning to invest 30 million dollars in Indonesia's national car project which has recently been approved by the Indonesian Government.

ROK: Group Suggests Ways 'To Break Out' of Trade Deficit

SK1508013096 Seoul THE KOREA HERALD
in English 15 Aug 96

p 8 — Generally pro-government English-language daily

[FBIS Transcribed Text] In order to break out of the current trade deficit, the government should depreciate the Korean won against the U.S. dollar and deregulate

export-related rules, the Korea International Trade Association (KITA) said yesterday.

The traders' organization maintained in a policy recommendation that only after Korean export goods regain their price competitive edge over Japanese products can the nation expect exports to recover. "For this, the Korean currency needs to be devalued to as low as 860 won per dollar," it said.

The depreciation of the won against the U.S. dollar is also necessary for improving the nation's non-trade, or invisible deficit, including the yawning gap in foreign travel account, the KITA report said.

A separate KITA paper shows that travel expenses to Cheju Island this year have gone up 56 percent compared to 1991, while those to Hawaii-Guam or Saipan dropped 22 percent and 8 percent, respectively.

According to KITA's recent survey on 1,000 exporters, 80 percent of the pollees cited the rise in unit export prices as the main cause of foreign shipment slump. As many as 53 percent said that their buyers' top priority is low price, indicating that support for maintaining price competitiveness is the most important issue for improving exports.

KITA's suggestion also includes further deregulation related with exports. It includes raising the loan for importing raw material from 760 won to 800 won for each dollar's worth of purchase as well as abolishing the export permission system.

Among other suggestions were eliminating excessive documentation such as doing away with the delay in paperwork process and, if the abolition of export permission is not possible immediately, the shortening of the long waiting period for export permission to 33 countries, including Southeast Asia and Latin America.

As a long-term solution, KITA reports that "five highs" should be corrected. They are high interest rates, wages, land costs, transportation costs and stiff regulations.

Korea's interest rate, for instance, is three times higher than that of Japan, and Korea's level of wages last year was 35 percent of Japan, up from 1985's 25 percent.

KITA said that the investment in social infrastructure should be increased to more than 60 percent of the gross national product as transportation in Korea costs twice as much as in Japan and the United States.

In overseas marketing, KITA recommended that the government support in independent brand development and participate in more international trade fairs.

The KITA survey also showed that 54.2 percent of the exporters are relying on original equipment manufacturing (OEM) shipments, and only 23.2 percent of light-industrial manufacturers are exporting under their own brands.

According to this year's plan by the Korea Trade-Investment Promotion Agency (KOTRA), Korea is scheduled to participate in just 55 fairs out of the total 4,495 trade and commodity shows throughout the world.

ROK Police Storm Yonsei University Campus To Arrest Students

SK1608113596 Seoul YONHAP in English
1126 GMT 16 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The riot police, confronting thousands of demonstrating students at Yonsei University campus for fifth day in a row, stormed into the campus at 7:10 PM Friday in a full-fledged action to arrest them.

Determined to round up whole of the students who used to clash with the police violently with steel pipes and fire bombs, 13,000 riot police were encircling the large campus while 5,000 policemen charged into the campus braving student resistance.

In the air, 10 police helicopters were crisscrossing the campus pouring liquid tear gas and fluorescent materials upon students. The fluorescent materials were to enable the police to identify demonstrators once they manage to escape the scene.

At the time of the police incursion, there were about 3,600 students in the campus, who resisted the police a while before retreating to school buildings.

Earlier in the day, students tried to break the police cordon in their attempt to escape, but in vain. They used to be driven back by the counter action by the police aided by tear-gas spraying helicopters.

"We are trying to arrest the leaders of Hanchongnyon or the Federation of University Student Councils and those on a wanted listed as well as radical demonstrators," a police officer said.

But, a source said Hanchongnyon and other leaders were believed to have already fled from the scene as the demonstrators now seem controlled by the Yonsei University student council.

By Friday noon, the police carried away a total of 1,193 students.

ROK Regime Vows All Means Against 'Violent Demonstrations'

SK1608063596 Seoul YONHAP in English
0619 GMT 16 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The government will crack down upon illegal and violent student demonstrations, employing all available means to maintain law and order.

The government and the ruling New Korea Party (NKP) agreed at their policy coordination meeting Friday that the demonstrations sponsored by Hanchongnyon, or the Federation of Korean University Student Councils, have gone beyond the limits of tolerance and decided to take stern action against them.

Home Minister Kim U-sok said Hanchongnyon is expected to continue organizing violent demonstrations, demanding capital punishment for those involved in the bloody suppression of Kwangju citizens' uprising for democracy in May 1980, that the National Security Law be repealed and a U.S.-North Korea peace treaty.

The government will break up the leadership of Hanchongnyon by arresting all those who played a leading role in the demonstrations and who are sympathetic to North Korea's unification formula, he added in a report on the student demonstrations.

Police have already detained 15 of the 33 Hanchongnyon leaders on the wanted list, as well as 189 students for violating the National Security Law and 3,537 others for acts of violence during the demonstrations, the home minister reported.

Police will also develop new tactics to bring violent student demonstrations under control, he said.

To effectively suppress violent demonstrations, the morale of riot police should be enhanced and demonstration-fighting equipment should be improved, he stressed.

The judiciary's lukewarm attitude toward those violating the National Security Law, as seen in the refusal to grant arrest warrants for Hanchongnyon leaders, should be held partly responsible for the ineffective response to violent student demonstrations, he added.

NKP Chairman Yi Hong-ku stressed the need to rid society of violent student demonstrations once and for all, noting that a national consensus on the need has already been established.

But he cautioned police against going to extremes in coping with violent demonstrations.

First State Minister for Political Affairs Kim Tok-yong said it is necessary for the government to delineate the true picture of Hanchongnyon before the public, noting the people are anxious to know how it has built up its force and why police were unable to effectively suppress the demonstrations even though they were able to spray tear gas from helicopters.

ROK: Parties Comment on Student Activism, Violence

SK1608021796 Seoul THE KOREA TIMES in English
16 Aug 96 p 2 — Daily English-language newspaper
published by HANGUK ILBO

[By staff reporter Kim Yong-pom]

[FBIS Transcribed Text] Following the extremely violent rallies by student activists pushing for a national unification event with North Korea, both ruling and opposition parties unleashed criticism in unison against the radicalism, but in varying tones and contexts.

The ruling New Korea Party (NKP) and opposition United Liberal Democrats sternly condemned the illegal entry of two delegates of Hanchongnyon (Korean Federation of University Student Councils) into North Korea, and the physical attacks on riot police.

The main opposition party, National Congress for New Politics [NCNP], also found fault with the use of physical force in the protests, but voiced sympathy with the national unification cause of the ralliers.

Yi Hong-ku, chairman of the NKP, expressed grave concern over the students' extreme radicalism, saying that violence against police was in direct defiance of basic law and order.

He strongly denounced the students' national unification movement as an "anachronism" in his meeting with the press Wednesday.

"The violence, such as attacks on police vehicles, posed a serious threat to the law and order in society," Yi said.

In a formal statement issued Wednesday, Kim Chol, spokesman of the ruling party, defined the students entry into the North for the so-called National Unification Festival in violation of the law and called it an "anti-state activity benefiting the North."

Kim urged the government to conduct an intensive crackdown on forces suspected of instigating the illegal activities and violent protests in the behind, citing serious public concern over the increasing radicalism on campuses.

The conservative opposition, United Liberal Democrats, joined the NKP in berating student violence and illegal contacts with the North.

In a statement issued Wednesday, deputy spokesman Sim Yang-sop, said, "It is deplorable that the students have defied the laws using violence for an unauthorized event hosted by the North."

The statement called on militant students to pursue a "politically-pure unification movement," advising them to pay more attention to the human rights situation and food shortage in North Korea.

He added that it was the first-ever criticism that the ULD had directed against student activism.

Major opposition National Congress for New Politics criticized the violent protests in similar vein, but expressed sympathy with the national unification movement.

"The students' zeal for national unification is understandable, but it is regrettable that they have taken to violent means," NCNP said in its statement.

Unification with the North is the national task of this era, but the use of physical means would never win the support of the people, spokesman Chong Tong-yong said in the statement.

"The students should give second thoughts to their violent protest and be wary of negative effects such radicalism would have on unification efforts," the statement said.

NCNP leader Kim Tae-chung made clear his position that he was opposed to student violence.

In a meeting with a local journalists in Chonju, the opposition leader criticized the radicalism saying, "What the students are now pursuing is definitely a wrong path, in that they have failed to win over supports from the public.

The use of violence for any movement, however righteous it may be, cannot be justified. They had better patiently seek support from the people for their movement," the opposition leader, who was once troubled by his ideological streak, added.

The minor opposition Democratic Party kept mum on the student rallies, issuing no statement about the students activism.

ROK: Public Questions True Identity of 'Hanchongnyon'

SK1608042796 Seoul THE KOREA TIMES in English
16 Aug 96 p 3 — Daily English-language newspaper
published by HANGUK ILBO

[FBIS Transcribed Text] The student organization named "Hanchongnyon," an abbreviation of the lengthy Korean name, "Korean Federation of University Student Councils," has been in the news recently and public concern has been expressed about its real identity.

The radical students' group, in defiance of the government's repeated warnings about its illegal assemblies and violent demonstrations in support of the North Korean line, is not showing any sign it intends to give up its unlawful activities.

Judging that militant students have crossed the line of reasonable opposition, the law enforcement authorities, shifting to a tough policy with public support for their stamping out of violence, have begun to use force to stop them.

Differently from previous years, Hanchongnyon is staging violent demonstrations this year, using firebombs, stones and metal pipes, in the course of holding the annual unification festival, "Pomchonghangnyon," or the Pan-National Alliance of Youth and Students for the Fatherland's Unification.

Pomchonghangnyon was organized in 1992 by the Southern organization "Chondaehyop," the predecessor of Hanchongnyon, and the North's "Choson Students' Committee," in a joint effort to launch a unification movement.

Pomchonghangnyon has headquarters in the South and the North and an overseas liaison headquarters in Berlin. It is defined as an enemy-benefiting organization under the National Security Law as it supports the North's unification formula based on the confederation system.

Hanchongnyon is a subordinate organ of Pomchonghangnyon, and the Hanchongnyon president automatically becomes the leader of the Pomchonghangnyon headquarters in the South.

Security authorities attribute the more violent demonstrations of the student federation this year to the hawks' rise to power in the organization.

Hanchongnyon was founded in 1993 as a successor to Chondaehyop or the National Council of University Student Representatives, which folded after six years of activity. The current fourth president of Hanchongnyon, Chong Myong-ki of Chosun University in Kwangju, took his position in May.

Delegates to the federation from university and colleges across the nation number 1,600 at present.

The federation, whose headquarters is based at Korea University, is composed of eight regional associations and one special district (Cheju-to).

Police judge that of the total 169 university student associations across the nation, 117 are led by hawkish student activists.

Hardliners in the federation controlling the policy consultative council, its core organ, won landslide victories in elections of student association presidents held at the end of last year with hawkish election pledges to fight for the withdrawal of U.S. troops and an end to American influence.

Hanchongnyon's political goals are to topple the current regime and launch an anti-American struggle, thus achieving national unification.

The main goals of the unification festival include, among other things, the conclusion of a peace treaty between the United States and North Korea, abolition of the National Security Law and withdrawal of American troops for the ultimate goal of achieving national independence through anti-Americanism and the (North's) confederation unification formula.

In its first year, Hanchongnyon adopted the North's confederation system as its official unification formula, and clarified in its platform adopted in the second year that it would "...prevent the fatherland's permanent division and unify it under the confederation system based on the principles of independence, peace and grand national unity."

ROK: Public 'Enraged,' 'Disgusted' With Student Violence

SK1608031796 Seoul YONHAP in English
0222 GMT 16 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The outlawed unification festival of pro-Pyongyang Pomchonghangnyon, or the National Alliance of Youths and Students for the Fatherland's Unification, closed on the Yonsei University campus Thursday after a series of clashes between steel pipe and Molotov cocktail-armed students and tear gas canister-armed riot police throughout its three-day period, inviting deep public rancor against student demonstrations, unlike the student demonstrations in the days of authoritarian rule.

Accordingly, Hanchongnyon, or the Federation of (South) Korean University Student Councils, suffered substantial damage to its status as a national body

representing university students for its sponsorship of the illegal event, and the student movement will now be compelled to change its course of action.

The unification festival attested to the fact that the idealistic unification formula advocated by students with illegal and violent demonstrations can no longer win public support.

Apart from the unification festival, another pro-Pyongyang organization named Pomminyon, or the National Alliance for the Fatherland's Unification, held what it called the all-Koreans meeting on the campus of Sogang University but the meeting was half-baked because of factional conflict between the dissident unification organizations and student activist organizations.

The two pro-Pyongyang unification gatherings revealed problems when they were being prepared.

Hanchongnyon said in a press conference held on Tuesday last week that during the festival an inter-Korean meeting of youths and students would be held, with North Korean delegates attending, to adopt a resolution calling for South Korea's arms reduction and the pullout of U.S. troops from South Korea.

On Saturday, it, in violation of the National Security Law, sent two students, including Yonsei student To Chong-hwa, 22, to Pyongyang as its representatives to invite the North Korean delegation to the inter-Korean meeting and to attend a Pomchonghangnyon central committee meeting in Pyongyang.

On Aug. 3, it received a list of some 200 North Korean delegates by facsimile from Pyongyang via Pomchonghangnyon's Berlin office, another violation of the law.

Because the festival was illegally prepared, the government, declaring it unlawful, deployed riot police along the roads leading to Yonsei University Monday to prevent students from attending the gathering, leading to a series of clashes with student activists hurling rocks and Molotov cocktails and wielding steel pipes.

In these clashes that went on for four nights and three days, some 200 policemen and 200 to 300 students were wounded, indicating how severe the battle was.

During the festival, students put up a placard saying, "Let's achieve peace and national unification overcoming war and national division!" But what they actually displayed was violence with Molotov cocktails and steel pipes.

They attacked the police troops during meal time by surprise and even destroyed police cars. Their guerrilla

war-style demonstrations on busy streets disgusted and enraged citizens.

The citizens of Seoul can no longer be tolerant of violent student demonstrations, though they were once sympathetic to such demonstrations for democracy in the bygone days of authoritarian rule.

Police had taken some 800 students for detention and investigation as of Thursday and will arrest all those students who played an active role in the violent demonstrations.

So, the unification festival will result in the arrest of the largest number of students since the Konguk University incident in 1986.

ROK: Clashes Between Students, Police 'Expected To Continue'

SK1608030196 Seoul YONHAP in English
0229 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The violent clashes between police and members of Hanchongnyon, the Korean Federation of University Student Councils, were expected to continue Friday for the fifth straight day, mostly near university campuses and other areas.

Some 9,000 riot police were deployed to block all four main gates to Yonsei University where the "Grand Unification Festival" was to have taken place.

Police also began their search for students who tried to enter the university and student leaders.

About 1,193 student demonstrators have been detained between Monday and Friday, with five being arrested. In addition, arrest warrants are being sought for five more who participated in the opening ceremony for the rally, with 587 students in police custody across the nation's capital.

Police reported that 236 officers were injured Thursday, national liberation day, bringing the total of police hurt during demonstrations to 508 since Monday. Including injured students, the total number of those injured in the demonstrations is expected to exceed 1,000.

Even after the holiday, about 4,000 students were still scattered around on the Yonsei University campus at the Science and Engineering College, student center and gymnasium. Wielding rocks and metal pipes, they made barricades to guard themselves from riot police.

Most Hanchongnyon leaders left school grounds Thursday evening; thereafter, most students demonstrators

were being led by Yonsei University's executive student council.

"If police can guarantee that students can safely return to their homes, we will disperse," a council representative said. "But should the police start mobilizing forces and arresting students on a large scale, we will put up a tough fight until the very end."

At 7:30 AM Friday, about 200 students came out from Yonsei's main gate and began shouting slogans. Police rushed to the scene and stopped all traffic in the vicinity, creating a massive traffic jam and inconveniences for people trying to get to work.

On Thursday evening, students and police stood face-to-face at various places within the Yonsei campus, including the Science College, gymnasium and the main and west gates. Armed with flares and tear gas, police rushed into the Science College, but were frustrated in their attempts to arrest students as the demonstrators threatened to blow up experimental chemicals and propane tubes.

ROK: Unification Minister Comments on President's Speech

SK1608023796 Seoul THE KOREA TIMES in English
16 Aug 96 p 2 — Daily English-language newspaper
published by HANGUK ILBO

[FBIS Transcribed Text] Deputy Premier-National Unification Minister Kwon O-ki, briefing reporters on President Kim Yong-sam's Liberation Day speech, said Kim declared he was not only the President of 40 million South Koreans but also "leader of the 70-million brethren on the Korean peninsula and abroad."

President Kim mentioned "70 million compatriots" at home and abroad six times in the relatively short congratulatory speech, stressing their prosperity and glory as one nation.

However, the President's speech and the unification minister's interpretations are believed to be provocative to North Koreans who, claiming North Korea is the only legitimate state on the peninsula, regards the South Korean government as a puppet regime they should topple eventually.

"President Kim's remarks imply the fundamentals of the government's stance in dealing with North Korea in the future," Kwon said.

The President said in the speech, marking Korea's liberation from Japan's 1910-45 colonial rule, that Seoul neither wants Pyongyang's "instability and isolation" nor seeks a "unilateral unification."

Although the President's speech implicitly shows Seoul's future course of actions towards North Korea, it failed to come up with any fresh initiatives towards North Korea, which is suffering from grain shortages and economic debacle.

Instead, it is noteworthy that the President's speech has cemented the link between the proposed four-party peace talks and any additional economic aid to North Korea.

Kwon said, "We have much to do if North Korea agrees to the four-party talks." The peace talks were proposed jointly by Presidents Kim and Bill Clinton on April 16 to replace the current Armistice Agreement with a peace regime.

Even though the President mentioned the government's willingness to allow South Koreans to travel to North Korea, Kwon said that all these peace initiatives required government-level dialogue before they could be implemented.

He pointed out that inter-Korean economic cooperation and other forms of exchanges, currently underway, required complex procedural matters because there is no government-level agreement to facilitate them.

Under the current inter-Korean exchange laws, the government demands a set of documents including the North's invitations and certificates on safe travels from those wishing to visit North Korea, which has marred smooth contacts between South and North Koreans.

"If inter-Korean dialogue resumes, we can settle all outstanding political, economic, and military issues," he said.

Kwon said that, last year, Seoul provided Pyongyang with rice, worth 190 billion won or \$230 million, marking the largest-ever aid since the republic's birth.

As there is no government-level contacts nowadays, Seoul's recent aid was made via the International Federation of the Red Cross. The process could have become much simpler if it had been made through direct contacts between the Red Cross societies of South and North Korea.

However, the unification minister said that all attempts to contact North Koreans illegally should be stopped, exemplifying the case of two South Korean students who slipped out of South Korea to take part in the "pan-national rally," held Wednesday in the North's side of the demarcation line in the truce village of Panmunjom.

ROK: Dailies View President Kim's Liberation Day Address

SK1608082096

[FBIS Report] Local vernacular dailies on 15 and 16 August carry editorials commenting on President Kim Yong-sam's speech at a meeting to mark the 51st anniversary of the country's liberation from Japanese domination held in Seoul on 15 August.

TONG-A ILBO on 16 August carries on page 3 an 800-word editorial entitled "Patience Required for Policy Toward the North." The editorial begins, "The Pyongyang regime is the most difficult group to deal with in the world. Nevertheless, we are destined to attempt to hold a dialogue with it with patient perseverance. As far as our policy toward the North is concerned, we should be consistent. Although we should send a clear message to North Korea, we should also retain flexibility in dealing with the North. For this reason, President Kim Yong-sam's liberation day address was noteworthy, because he showed flexibility more than ever before reestablishing our policy toward the North." The editorial notes that in his address, President Kim said he does not want North Korea to be isolated and that he would not seek unilateral reunification, thus trying to relieve North Korea of its worries about the ROK's reunifying the country by merging the North into the South. The editorial also notes President Kim's expression of willingness to cooperate on the North's economic rehabilitation if the North accedes to the four-way talks. The editorial then warns that the North should not miscalculate the ROK's flexibility, and stresses need for four-way talks to resolve the issues on the Korean peninsula. The editorial concludes by urging North Korea to abandon its double-dealing policy aimed at disturbing the South and to affirmatively respond to the South's proposal as set forth in President Kim's address.

KYONGHYANG SINMUN on 16 August carries on page 3 an 800-word editorial entitled "Our Policy of 'Peace and Cooperation' Toward the North." The editorial notes that the basic direction of our policy toward the North remained unchanged in President Kim's address, but adds that the government's position and attitude has become more active than before, and that this is a positive development. The editorial states, "Our attention is particularly drawn to the fact that the government made it clear that the key to the development of the inter-Korean relations and peaceful reunification is peace and cooperation," and observes, "this policy of the government is expected to work positively to induce North Korea to openness."

HANGUK ILBO on 16 August carries on page 3 an 800-word editorial entitled "The Essence Is Dialogue

Between Authorities." The editorial notes President Kim's liberation day address is significant in that it sets forth what can be achieved in the four-way talks and proposes specific aid the South is prepared to provide to the North. The editorial urges the North to change its rigid attitude and accept our proposal for a dialogue between the authorities of the North and the South. The editorial concludes by cautioning that President Kim's positive stance toward the North, as reflected in his address, should not be taken as a loosening of our national security posture.

SEOUL SINMUN on 16 August carries on page 3 a 700-word editorial entitled "President Kim's Vision for Reunification." The editorial begins, "In his address marking the 51st anniversary of the national liberation on 15 August, President Kim put forth a positive policy toward the North and proclaimed to the world a firm vision for reunification." Characterizing the theme of President Kim's proposal to the North as one of "peace and cooperation," the editorial urges the North to come forth to the inter-Korean dialogue between responsible authorities of the two sides to solve pending issues.

CHUNGANG ILBO on 16 August carries on page 6 a 700-word editorial entitled "The President's 15 August Proposal to the North." The editorial notes that President Kim's address was a comprehensive and specific proposal to the North, laying out the government's basic position toward the North in connection with North Korea's present reality. The editorial also notes the address is significant in that it reflects a more moderate stance toward the North than before. The editorial urges North Korea to accept our proposal, noting that this will facilitate ROK businesses' economic activities in North Korea.

MUNHWA ILBO on 15 August carries on page 9 an 800-word editorial entitled "A New Policy Toward the North." The editorial describes President Kim's address as containing a policy toward the North that is distinctively more moderate than any previous policy, and urges the North to accept the four-way talks proposal and seek aid and cooperation from the South rather than from foreign countries. The editorial then notes that the Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation Between the North and the South which became effective in 1992 is still valid, as President Kim noted in his address. It urges the North to help activate the inter-Korean cooperative organizations provided for in this agreement, and to initiate the work for the reunion of displaced families.

ROK: Article Assesses Kim Yong-sam's 'Liberation Day' Speech

SK1608040296 Seoul THE KOREA HERALD
in English 16 Aug 96 pp 2, 4 — Generally
pro-government English-language daily

[FBIS Transcribed Text] In his speech marking Liberation Day, President Kim Yong-sam attempted to make the proposed four-way Korean peace talks more attractive to North Korea by discussing economic benefits it might gain by attending the talks.

Kim has often expressed confidence that North Korea would eventually attend the four-party talks he and U.S. President Bill Clinton proposed at their summit in April.

North Korea, which was struck again this summer by devastating floods, is certainly in more urgent need than ever for food and other economic aid from the outside world, government officials and North Korea watchers at home and abroad have said.

But it has yet to be seen whether North Korea will attend the four-party talks, which will also involve China, at the mere suggestion of assistance, however generous the benefits promise to be.

North Korea has demanded economic concessions — massive rice aid and eased economic sanctions — in return for its attendance at a joint Seoul-Washington briefing on the four-way talks proposal.

North Korea showed little change in its position at a meeting between North Korean and U.S. officials in New York earlier this month, South Korean officials said.

South Korean and U.S. officials have made it clear that there will be no massive official assistance for North Korea before its representatives come to the four-party negotiating table.

A senior official at the South Korean Foreign Ministry emphasized Seoul and Washington have taken whatever good-will gestures they can to create a favorable atmosphere for North Korea's acceptance of their proposal.

"We can be no longer flexible at this stage," he said.

The official noted Seoul and Washington contributed to the past two rounds of international appeals for humanitarian aid to North Korea, with the South Korean Red Cross also delivering relief goods for North Korean flood victims.

In his address yesterday, Kim did not suggest the possibility of massive aid preceding Pyongyang's acceptance of the proposal for four-party talks on a permanent peace regime to replace the Armistice Agreement which ended the 1950-53 Korean War.

He seemed, however, to be attempting to make North Korea feel easier about sitting down at the four-way meeting and more confident of economic benefits it would gain by participating in the meeting.

Kim gave reassurances that South Korea wants North Korea to remain stable, not to be isolated from the international community, and will not pursue unification by absorbing the North.

He also put forward three concrete agenda items to be discussed at the four-party talks — a permanent peace mechanism on the Korean Peninsula, military confidence building and economic cooperation between South and North Korea.

Kim, in particular, addressed specific aspects of South-North economic cooperation, demonstrating Seoul's willingness to provide what North Korea most wants.

He suggested South Korea would help North Korea seek fundamental solutions to its chronic food shortages and allow businesses to expand investment and citizens to make free sight-seeing trips to the North, if Pyongyang accepts the four-way talks proposal.

Deputy Prime Minister Kwon O-ki said that President Kim only exemplified a portion of the potential economic cooperation between South and North Korea.

South and North Korea would discuss a wider range of other issues if the North attends the four-way meeting, Kwon said.

Some observers here see that recent exchanges of the remains of drowned people between South and North Korea and the North's decision to repatriate a South Korean novelist may be a signal Pyongyang would soon come to the four-party talks.

But a South Korean Foreign Ministry official presented a cautious view, saying such North Korean gestures may be merely aimed at cultivating a favorable mood for food aid before the establishment of the four-way talks.

What will also affect North Korea's attitude toward the proposed peace talks is the U.S. Republican Party's pledge that it would discard obligations under the 1994 nuclear deal the Clinton administration made with Pyongyang, if it wins the upcoming presidential election.

North Korea may be pressed to come to the four-party talks at an early date in order to enhance the prospects for Clinton's reelection as U.S. president, the official said.

The official added that at the same time, North Korea may delay its response to the very last minute in

order to draw maximum concessions from the Clinton administration.

ROK Daily Interviews Minister of Maritime, Fisheries Affairs

SK1408123396 Seoul MAEIL KYONGJE SINMUN
in Korean 9 Aug 96 p4

[Interview with Sin Sang-u, newly-appointed minister of maritime and fisheries affairs, by MAEIL KYONGJE SINMUN reporter Kim Song-ho in Seoul on 9 August]

[FBIS Translated Text] "I will integrate those forces that were scattered throughout various offices into one, and will develop this nation into an advanced maritime country."

Sin Sang-u, a lawmaker from the New Korea Party who has been appointed as the first minister of maritime and fisheries affairs, stated: "Through political influence, I will overcome many possible frictions to integrating maritime affairs into one ministry, which were once distributed amongst 12 government offices."

Newly-appointed Minister Sin is a senior congressman elected seven times. He was chairman of the Health and Social, Defense, and Information Committees of the National Assembly in succession. However, this is the first time he has been elected a cabinet member. Nevertheless, it seemed Minister Sin precisely understood the president's intention behind his election as the first minister of maritime and fisheries affairs.

"There are many competent public officials in the Ministry of Maritime and Fisheries Affairs. However, with the establishment of this new ministry, all the work distributed amongst 12 offices is going to be congregated into one ministry. Those who will work for the ministry once belonged to different government offices. I can predict opposition from those offices, which will lose some of their authority. It is necessary to have enough political power and leadership to amalgamate the side effects of each office pursuing its own interests."

Introducing himself as one "who grew up in parliament and has his roots in parliament," Minister Sin stressed he "will concentrate efforts to inspire public workers of the Ministry of Maritime and Fisheries Affairs, using the passion he showed when criticizing and questioning within the National Assembly." What he means is he will play the role of a catalyst for national maritime development while encouraging and protecting public officials from outside influence.

Questioned if it is difficult for him to work as a lawmaker and a minister at the same time, he said: "Holding the two positions enables me to reach a consensus with the government more efficiently, and

makes me resourceful in reflecting the thoughts of lawmakers in state policies." Showing a confidence acquired through his long official life, he added: "It is desirable for capable lawmakers to be in posts responsible for state policies."

ROK: Paper Interviews Science-Technology Minister

SK1408131096 Seoul MAEIL KYONGJE SINMUN
in Korean 9 Aug 96 p 4

[Interview with Ku Pon-yong, newly-appointed minister of science and technology, by reporter Chong Hyon-kwon — place and date not given]

[FBIS Translated Text] Ku Pon-yong, newly-appointed minister of science and technology, who was appointed minister seven months after his departure from the Ministry of Science and Technology, said: "I feel a heavy responsibility as I am entrusted with an important job under conditions in which we have many problems to overcome. However, I feel at home having returned to where I was before. Maintaining the fundamental basis of our science policy, I will improve the problems step by step." Thus, stressing his experience in previously working in the ministry to which he was appointed, Minister Ku hinted he will push ahead with reform, case by case, while maintaining the basic framework of the country's science policy.

Assisting Chong Kun-mo, then-minister of science and technology, Minister Ku participated in making the framework of the country's present science policy while vice minister of science and technology. Since he left the Ministry of Science and Technology only seven months ago, he says he will maintain consistency in the ministry's policies for the time being.

However, Minister Ku stressed that since the trend of the times is flowing rapidly, and since securing the state's competitiveness is becoming a pending issue, science circles should work out a new framework of reform, and scientists should be ready to adapt themselves to this situation.

By this, he meant to say that since new orders are frequently being issued in the scientific world, science circles that tend to be conservative should adopt a dynamism in order to secure the ground for a leap forward.

He stated: "We have not worked out a specific program, but will review the important problems discussed so far, such as the special science-technology law on atomic power and the systematic reform of the application of the nuclear fusion project, and will streamline our operations."

Minister Ku has alternately served in science and economic departments; therefore, it will be his task to link science with the government's economic policy in order to achieve an advancement of science.

He concluded: "The advancement of science cannot be achieved by the ability and efforts of one individual or one particular department. To do this, and to display our strength in the international arena, the relevant ministries and departments should closely cooperate with each other based on the unity and will of science circles."

ROK: Kim Sang-hyon Wants Nomination for Presidential Race

SK1508013796 Seoul THE KOREA HERALD
(SUPPLEMENT) in English 15 Aug 96
p 3 — Generally pro-government English-language daily

[By Staff Reporter Nam In-su]

[FBIS Transcribed Text] With the presidential election still one and a half years away, he makes no secret of his ambition to run for party nomination. He even insists that he should be the realistic choice for the opposition's standard-bearer if it is to win next year's presidential race.

"I have a dream...that someday I shall become the president of the nation. Now, I am ready to throw my hat in the ring," said Rep. Kim Sang-hyon, the No. 2 man in the main opposition National Congress for New Politics (NCNP).

In April, he said his role in next year's presidential election would be that of a kingmaker for his party leader, Kim Tae-chung.

But he has since been consolidating his position to the point where he is now challenging Kim Tae-chung for a nomination race.

The party charter stipulates that its presidential candidate be elected. And the rule must be obeyed, says Kim Sang-hyon.

"In a sense, the opposition did not have an election to choose its presidential candidate. The nomination race used to be over even before it started," he said.

Despite a relatively weak base of support for him within the party, he believes that he has a chance of winning the nomination against Kim Tae-chung.

About three-fourths of the 79 NCNP lawmakers are known to be loyal to Kim Tae-chung. But an aide to Kim Sang-hyon says that a considerable number of them are "fake" supporters.

"As was often the case in the past, they just follow the party leader to survive. If things change, they will change too," the aide said.

As debates concerning presidential contenders are beginning to gain momentum, Kim Sang-hyon's attack against the NCNP leader is also intensifying.

When some voters rebuked the opposition for its failure to take power in past presidential elections, he pointed the condemnatory finger at Kim Tae-chung.

"Opposition parties failed to take power because they failed to produce a single candidate, who was competitive enough to defeat his ruling party rival," said Kim Sang-hyon, a five-term lawmaker.

Despite calls for a single opposition candidate, Kim Tae-chung ran against other opposition candidates for the presidency in past elections, splitting opposition votes.

Kim Sang-hyon pushed himself near the point of being ostracized in the party when he released the results of an opinion poll last month that showed his party lagging far behind the ruling New Korea Party in popularity among voters.

Kim Tae-chung's supporters denounced him as selling their party down the river.

The NCNP leader then began to take action to hold the maverick in check.

He assigned Rep. Kwon No-kap, one of his loyalists, to head a local chapter on enemy turf, a move to check Kim Sang-hyon from spreading his clout there.

Kim Tae-chung also trod the path from the Demilitarized Zone (DMZ) in the North to small islands to the South to broaden his base of support.

But such efforts may well prove to be futile to stop Kim Sang-hyon in his lifetime dream of becoming president.

"There's no way of returning. A number of party members want me to go forward. And I say that's what I will do," Kim Sang-hyon said.

He is scheduled to deliver a speech on the 1997 Korean presidential election before the National Press Club in Washington early next month when he visits the United States.

He will not miss the chance to promote himself as the opposition's choice for the race, political watchers say.

After all, he has more to gain than to lose from his incessant pursuit of power against the veteran politician, Kim Tae-chung, they say.

Even if he fails to win the party nomination, he will have put himself on a pedestal, overlooking South Korean politics, as one of the influential heavyweights.

Shrouded by such a political atmosphere turning against him, NCNP leader Kim Tae-chung has recently delayed his announcement to run for the presidential election slated for December next year.

He had said that he would decide on his candidacy by the end of this year but changed his mind and delayed the announcement until after next spring.

He might have taken into account rampant speculation that any reform-minded young ruling party candidate could win the presidential election if he and Kim Chong-pil, another opposition party leader, enter the race.

Since Kim Tae-chung failed to lead his party into a decent victory in April's general elections, some party elders have cautiously but continuously raised questions about his leadership capability, eclipsing his presidential ambition.

Chong Tae-chol, a party vice president, warned against the blind belief that Kim Tae-chung will be the one and only presidential candidate of his party.

Unlike Kim Sang-hyon, Chong soon backed off from a direct fight against the NCNP leader and remained silent on the issue of his presidential candidacy.

Against all odds, however, Kim Tae-chung is expected to emerge as his party's standard-bearer.

"I want to be the president of the nation to serve the people once in my life," the 72-year-old politician said in a recent interview with a monthly magazine.

ROK: Statistics Office Compares Present, Postwar Economic Data

SK1508062196 Seoul YONHAP in English
0548 GMT 15 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — South Korea has achieved tremendous economic strides since its liberation from Japanese colonial rule in 1945 with per capita GNP increasing 150 times and exports spiraling no less than 8,690 times.

According to "major current economic and social indices as compared with the wake of liberation," tabulated and released by the National Statistical Office Thursday, per capita GNP increased 150.4 times from 67 U.S. dollars in 1946 to 10,076 dollars last year.

The nation's exports skyrocketed 8,690 times from 14.4 million dollars in 1948 to 125.06 billion dollars last

year, while imports jumped from 17.7 million dollars to 135.12 billion dollars.

The unemployment rate declined from 11.3 percent at the end of 1947 to 2.0 percent at the end of last year, while the inflation rate plummeted from 27,738 percent during the period of 1944-48 to 73.6 percent between 1991 and 1995.

The number of factories with five or more employees rose 17.4 times from 5,249 in November 1946 to 91,372 at the end of 1994. The number of motor vehicles climbed from 14,700 in December 1948 to 8,469,000 at the end of 1995.

The number of hospitals and clinics increased 5.1 times from 2,775 at the end of 1949 to 14,279 at the end of 1994, while the population per doctor decreased from 4,671 to 817 during the same period.

The South Korean population increased 168.2 percent from 16,873,000 at the end of 1945 to 45,247,000 at the end of 1995.

The population in Seoul grew 10.7 times from 988,000 in May 1945 to 10,596,000 at the end of 1995.

The percentage of citizens graduating from junior college or above against the total population rose from 0.6 percent at the end of 1947 to 16.6 percent at the end of 1995, while that of those who did not have schooling declined from 77.1 percent to 6.7 percent during the same period.

The natural growth rate of population fell from the annual average of 16.8 persons per 1,000 during the period of 1940-44 to 11.0 persons in 1994.

The leading cause of death, meanwhile, was cancer the incidence of which increased from 1.3 percent of all deaths in 1947 to 21.3 percent in 1994. The death ratio from pneumonia declined from 12.6 percent to 0.9 percent during the same period.

Traffic accidents, accompanying the drastic rise in the number of automobiles, were the second leading cause of death, jumping from 0.2 percent of all deaths in 1947 to 6.7 percent in 1994.

The number of crimes increased 2.8 times from 115,900 in 1946 to 325,300 in 1994, of which the percentage of property-related crimes fell from 97.5 percent to 68.3 percent: A reflection of increased living standards.

ROK: Statistics Office Releases Jan-Jun Employment Figures

SK1608085696 Seoul YONHAP in English
0827 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The number of unemployed in the country totaled 413,000 at the end of June, up 8,000 from a year earlier, the National Statistical Office reported Friday.

The first increase in the absolute number of the unemployed since June 1994 is another indicator of a slowing economy. Industrial production inventories of manufactured goods and factory operating hours have already indicated that the economy is on the downswing from its peak growth.

The seasonally-adjusted jobless rate also rose 0.1 point from the end of March to 2 percent.

In the April-June period of last year, the 15-year-old and above population increased by 606,000 and 500,000 of them landed a job. In the corresponding period this year, the same population rose by 634,000 and only 350,000 of them found employment.

There were 20,932,000 employed workers at the end of June, up 1.7 percent from a year earlier. The growth rate was slower than the 2.5 percent registered at the end of June last year and the 1.9 percent at the end of March.

The manufacturing industry's workforce at the end of June decreased 2.1 percent, or 103,000, from a year earlier, following a 1.9-percent decline registered at the end of March.

Light industry employment fell 4.5 percent in the second quarter of this year, following a 7.1 percent decrease in the first quarter and 2.6 percent for all of last year.

The employment growth rate for heavy industry slowed from 6.3 percent in all of last year to 3.6 percent in the first quarter of this year and further to 0.2 percent in the second quarter.

While the number of daily laborers at the end of June fell 2.1 percent from a year earlier, following the 5-percent fall registered three months earlier, the numbers of monthly-salaried workers and self-employed workers at the end of June rose 3.1 percent and 1.3 percent, respectively, from a year earlier.

Working hours averaged 53.3 hours per week for the second quarter, down 0.1 hour from a year earlier. While the number of employees working 54 hours or more a week fell 0.1 percent, and the number of those working 36-53 hours a week increased 4.5 percent.

ROK: 'Slowdown' To Continue for Shipbuilding Industry

SK1608080996 Seoul YONHAP in English
0730 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — The shipbuilding industry's slowdown is likely to continue for some time with Japanese shipyards in hot pursuit of new shipbuilding orders, aided by the substantial depreciation of Japanese yen, while other major export products such as semiconductor chips and steel have also been slowing.

The National Statistical Office, in a report entitled, "The Trend in New Shipbuilding Orders and Its Prospects," released Friday, indicated that South Korea's foreign shipbuilding orders backlog in the first half, is way down, affected by the continuing depreciation of Japanese yen, and Japanese shipyard's aggressive sales efforts, coupled with reduced new shipbuilding orders world wide.

The report said South Korean shipyards could only manage to win 1.17 million tons in new orders during the first quarter, down 50.3 percent from the same period last year at 2.36 million tons, which compares with the Japanese order record of 2.23 million tons during the same quarter this year.

The Japanese shipbuilding orders are something to watch, because they have been increasing at a time when yearly shipbuilding orders worldwide for the first quarter were down 15.7 percent, totaling 5.44 million tons.

The Japanese yen's continuing devaluation, and the sluggish state of new shipbuilding orders around the world have been responsible for the slowdown in South Korean shipyards' new orders, the report said.

The report quoted Nomura Economic Research Institute in Japan, as saying that South Korean shipyards enjoyed a 20 percent cost advantage over their Japanese rivals in the first half of last year, but the advantage has been wiped out now, making their comparative competitive terms about equal to each other's, due mainly to the depreciation of the yen.

An official at the statistical office said from 1989, South Korean shipyards enjoyed a competitive advantage, when the yen's value continued to appreciate, and they were able to overtake Japanese shipyards in orders backlog in 1993, but not any more. In fact, he is afraid that the Korean yards will continue to have trouble winning orders for new ships next year.

World orders for new ships will continue to accumulate in Japanese yards with the yen's value dropping, amidst shrinking orders for new ships due to moves to extend a ship's life, with delays in scrapping ships, which has been made worse by an excess in the number of bulk carriers and container vessels in operation around the world, the report said.

The currency exchange rate disadvantage, shrinking orders for new ships, and relaxed Japanese regulations for

shipyards and other conditions, make next year's outlook for Korean shipyards less than promising, the government office said, and called on shipyards to tighten their belts and cut costs, and increase productivity by standardizing parts and equipment to boost their competitiveness.

Burma

Burma: Article Explains 'Political Defiance'

BK1608072496 Rangoon MYANMAR ALIN
in Burmese 15 Aug 96 p 4

[Article by Di Hlaing: "Strategic Political Defiance"]

[FBIS Translated Text] Gene Sharpe [American political expert] has noted that political defiance without proper planning will not be as successful as it should be. The situation would become unmanageable, and the opposition that does not realize the need for a proper plan will run out of ideas. Gene Sharpe's example is Myanmar [Burma].

Gene Sharpe said that without proper planning the opposition in Myanmar was unable to obtain power, while the Armed Forces did. He taught and showed the way to do strategic planning.

A grand strategy [preceding two words rendered in English], which is a very broad subject, must first be drawn and a target selected—Myanmar Naing Ngan, for example. The target is not a city; it could be a country or a group like the Warsaw Pact.

After the target is chosen, the political, military, economic, and social forces are designated and mobilized, and every aspect is considered. Is the West with us? Will Japan participate? Will ASEAN be on our side or theirs? Or will China back the targeted country?

The next step is the objective: What should be done about the targeted country? The objective could be anything from the downfall of the government to the disintegration of the state.

Once the objective has been chosen, it is important to consider how to implement a suitably selected threat to the targeted country, such as political defiance, conventional military intervention, or a combination of both. There could be internal strife with internal and external political defiance or direct military intervention.

The timing is also significant in a grand strategy. A democratic uprising will erupt if a public figure is assassinated by the government. An opportunity to gain power arose for Mrs. Corazon Aquino when her husband, Philippines opposition leader Mr. Aquino, was assassinated. An opportunity arose for Ms. Bhutto when the Pakistani Government handed down the death penalty to her father [Prime Minister] Mr. Bhutto. Mass unrest erupted in Myanmar Naing Ngan over the death of Maung Phone Maw [a Rangoon Institute of Technology student].

A democratic uprising can also erupt if a public figure is arrested and jailed by the government, as with the arrest of South African black leader Nelson Mandela. If

this does not happen, a person who is said to be gaining public trust and support should be attempting to break the laws and get arrested.

Political defiance will also emerge if the government issues restrictive policies, laws, and orders to suppress the people. In this light, all government policies and laws though beneficial to the people should be pessimistically scrutinized. In accordance with Gene Sharpe's grand strategy, the 12 national objectives would be thoroughly scrutinized, while the three cardinal causes [nondisintegration of the union, nondisintegration of national unity, perpetuation of national sovereignty] would be rejected.

There will be dissent if the people face economic hardships. Since an uprising is a political defiance that erupts prior to a power struggle, disturbances should be created by any means so that the people face economic hardship. In a socialist economic system, the blame is simply pinned to the government; in a market-oriented economic system, however, it is a nasty act of attacking both internally and externally. A resource-rich country, however, would not be effected.

Gene Sharpe also incites religious conflicts and labels them as democratic uprisings. This method is unsuccessful, as Myanmar practices freedom of religion. Various religious buildings of different denominations around the Sule Pagoda in central Yangon [Rangoon] are living proof.

Unrest can flare up while commemorating a politically significant incident. Underground BCP [Burma Communist Party] members have been instigating disturbances for over a generation while commemorating 7 July [7 July 1962, the day General Ne Win's Revolutionary Council dynamited the Rangoon University Student Union Building], and it became a day marked for political defiance activists. Others include Phone Maw's death on 12 March; 8-8-88 mass demonstrations; Martyrs Day [19 July, the day Aung San Suu Kyi's father General Aung San was assassinated]; 27 May, the anniversary of the [1990] elections; and, finally, 18 September, the day the SLORC [State Law and Order Restoration Council] was formed after the Defense Services staged a coup.

According to Gene Sharpe's guidance, all 365 days on the calendar could end up being marked. In reality, the Myanmar people are unable and incapable of developing such a grand strategy. It was written by other learned experts.

Strategy follows grand strategy. A strategy is drawn for individual objectives, and it should not supersede the grand strategy. Who should be chosen as a leader for

political defiance? What external assistance will be received? What opposition groups should be formed? Selecting a leader is important, and Gene Sharpe does not encourage choosing ex-politicians as leaders because they have had people who have liked and disliked them at one time.

According to political defiance theories, former political leaders from the pre-1962 parliament democracy era, former communists, former expatriates, former military officers, and former members of the Burma Socialist Program Party could not become leaders. They could only become deputy leaders. The political defiance leader should be an authoritative person who has received public support, should not be a traditional leader, and should be unpatriotic.

The philosopher Duran wrote about leadership that a reliable leader must have a good lineage and must have been nurtured in politics since childhood. He said a leader must have at least 40 years of political experience related to one's own country, and that only when such a leader cannot be found should other leaders be sought.

Followers must be selected and allies sought after a leader is selected. It is important to ensure that they initiate opposition to the government and to define one's objective and programs. Gene Sharpe compares strategy to the imagination of an artist and the process of drawing up a strategy to a blueprint of an architect.

Strategy addresses the issue of future action after a victory or defeat.

Tactics involves disposing and maneuvering within a strategy and concerns the implementation of different objectives. Those who can be used must be sought. Tactics may progress in stages or simultaneously.

In order to implement a strategy, it is important to have tactics as well as a method and action [three preceding words rendered in English], to have nonviolent means that can be divided into three phases.

The first phase is protest and persuasion [three preceding words rendered in English], which ranges from public speeches to indifferent stances. This involves using both the internal and foreign media to obtain power by criticizing the government and by persuading the public that the country will prosper only when they obtain power. It involves condemnation and vilification.

The second phase is the method of noncooperation [preceding word rendered in English] with the government in social, economic, and political sectors and various forms of boycotts, as well as corruption of public service personnel. Slogans, chants, satirical cartoons, and logos are employed to bring about international eco-

nomic sanctions, the breaking of diplomatic ties, and expulsion from international organizations. These are very cruel methods against small countries.

The third phase involves intervention [preceding word rendered in English], which is nonviolent in nature and is an effective method of obtaining power. This method is employed until a government is overthrown, by resorting to demonstrations, the exploitation of religious issues, and the formation of a parallel government.

Gene Sharpe's nonviolent methods are to be implemented in details under a grand strategy, strategy, and tactics. These methods can lead to the disintegration of Myanmar, bloodshed, and war. There are also unjust means not included in the book, such as resorting to feminine wiles.

We should not be afraid of or fazed by political defiance, as there are ways to deal with it.

The first point is to make the public aware of the existence of political defiance. What was done during Martyrs Day and the simultaneous honking of horns constitute political defiance. Any agitation to create unrest constitutes political defiance.

Another point is that the entire public must be able to withstand political defiance by upholding the three cardinal causes and by understanding the 12 objectives.

The last point is to counter political defiance with counter political defiance—which is the thing of which they are most afraid.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Says ASEAN Policy on Burma Pays Off

1608100596 Kuala Lumpur THE STAR in English
16 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — ASEAN's constructive engagement policy with Myanmar [Burma] has paid off because the former socialist country is more open now and willing to change, Datuk Sri Dr. Mahathir Mohamed said yesterday.

The prime minister said Myanmar, after 26 years of isolationism, had now admitted that it was wrong and wanted change.

He said Myanmar was motivated not by Europe or the United States but rather the marked improvements it saw

in its South-East Asian neighbours "which were just like them before".

"If you send people from a developing country to another developing country which has made some progress such as Malaysia, the people will tell themselves if these people can do, we can do also," he said at a dialogue at the 1996 regional conference of Harvard Club of Asia.

Malaysia: Asia Urged To 'Thwart Attempts' To Stunt Growth

BK1608095696 Kuala Lumpur THE STAR in English 16 Aug 96

[Report by Shahanaaz Sher Habib — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr. Mahathir Mohamed has asked Asian countries to take a united stand to thwart attempts to stunt Asia's growth through the World Trade Organisation (WTO).

The prime minister warned that "spanners are being readied to be thrown into the works" by non-Asian countries which wanted to dominate the WTO and steer the world body in a direction that would be disadvantageous to Asia.

He said the attempts to "throw spanners" into the ministerial meeting in December in Singapore were aimed at stopping Asia from becoming a threat to the established economic powers.

"Unless Asia is very careful, we are going to find our growth stunted by all kind of obstacles that will be put in our way," he said.

Dr. Mahathir said those countries wanted to link non-trade issues with trade in the WTO, which "invariably will have adverse effects on most up-and-coming Asian economies."

"It is up to Asians, who will be present in very large numbers at the WTO, to make a stand," he told a dialogue session at the 1996 Regional Conference of Harvard Clubs in Asia.

Referring to the General Agreement on Tariff and Trade (GATT), Dr. Mahathir said Asia was reduced to being a mere spectator there at the conclusion of the Uruguay Round.

"The dialogue was between North America and Europe — it was as if we did not exist at all.

"And when they made decisions, some were detrimental to us," Dr. Mahathir said.

Malaysia: Turkish Prime Minister Arrives for Official Visit

BK1608125596 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 16 Aug 96

[FBIS Translated Text] Turkish President Necmettin Erbakan has arrived in the nation's capital for a three-day official visit to enhance bilateral relations. Erbakan was greeted by Foreign Minister Datuk Abdullah Ahmad Badawi upon arrival at Sultan Abdul Aziz Shah Airport at Subang today.

Erbakan is scheduled to hold talks with Prime Minister Datuk Sri Dr. Mahathir Mohamed and deliver a speech at the International Islamic University. An official welcoming ceremony will be held at the parliament grounds tomorrow. This is Erbakan's first visit to Malaysia since he was named prime minister in June.

Singapore

Singapore: West's Outrage Over Burma Situation 'Ritualistic'

BK1608064596 Singapore BUSINESS TIMES in English 16 Aug 96

[From Mohan Kuppusamy's "The Bottom Line" column: "Is West Bent on Keeping ARF [ASEAN Regional Forum] a Talk-Shop?" — received via Internet]

[FBIS Transcribed Text] Were ASEAN's concerns at the Jakarta ASEAN Regional Forum effectively sidelined by Europeans and Americans bent on waxing indignant over Myanmar [Burma]?

The forum was awash with Western anguish over human rights abuses in Myanmar to the seeming exclusion of all else, including ASEAN's own concerns over China's claim to the Paracels. The Philippines and Vietnam had lodged protests over the claim. Indonesia had sent a diplomatic note to China requesting a detailed explanation for the legal basis of the claim.

It must have been galling for ASEAN ministers to watch a forum they initiated with the aim of advancing regional peace and security turn into a sound-and-fury session on a matter that — whatever the gloss the Western diplomats cared to bestow — had no broad regional security implications.

If it were only a matter of striking poses for the Western media, the ARF session would have been time wasted and an opportunity lost, and no more. But was that all there was to it? Is it possible that the European Union's and the United States' new-found enthusiasm for Myanmar's affairs may have had less to do with their concern for Aung San Suu Kyi and democracy

and more to do with their interest in ensuring that the ARF never becomes anything more than a talk-shop?

At the last forum in Brunei, China's claim to the Spratlys was raised. Despite everything said in the Western and regional expatriate newspapers, the Chinese did seem to respond positively. Chinese Foreign Minister Qian Qichen hinted that Beijing was willing to discuss the dispute multilaterally with ASEAN. More significantly, he also seemed to accept the Law of the Sea as a basis for negotiations to resolve the dispute.

Admittedly, it was far from clear if that shift in China's position on territorial issues was more apparent than real. As has been pointed out several times, even while the Chinese foreign minister was trying to appear conciliatory, his spokesman in Beijing, Shen Guofeng, maintained the old position of affirming China's "indisputable sovereignty over the islands and their adjacent waters".

It has been noted that Shen also said the ARF was not an "appropriate place" for discussions on the issue since "the most effective way to handle this dispute is through bilateral negotiations".

Perhaps this policy disjuncture reflects something of the debate within China's foreign policy establishment itself. No matter. The point is that China was clearly feeling pressure from the ARF process and was making an appropriate response. Qian was careful to avoid being isolated within the ARF. The forum was demonstrably more than a mere talk-shop.

The significance of China's response showed that the ARF's three-step approach to conflict resolution — confidence-building, preventive diplomacy and broadening of approaches to prevent conflicts — could be made to work over time.

This year could have seen a better outcome. As Thai Foreign Minister Amnuay Viravan put it before the talks: "This is the third time that the ARF will meet. Now we have to deal with the real issues, the substantive issues, not the ceremonial any more."

American and European outrage was ritualistic since both know that they do not have the means to bring about a political or economic change in Myanmar. The United States efforts so far to force Unocal and Texaco to scale down or suspend working the major natural gas fields in Myanmar do not mean those fields will remain unproductive. At worst, this will cause delays in starting up gas production. But there are many natural gas exploration companies outside the United States and someone else will do the job. The enforced pullout of a European brewer is even less meaningful.

If China's Paracels claim is not challenged, the Spratlys' claims which involves the Philippines, Malaysia, Vietnam, Brunei, and China is also likely to fester. But a hint that such issues could be resolved at the conference table may not have suited the ambitions of the great powers in the ARF. If the forum could resolve conflict — or even be seen as useful in conflict resolution — it would, ipso facto, diminish the need to project raw power at every crisis. The West would have been pushed off center-stage. The rules of international engagement in the region would have been rewritten.

What then would have been the need to thump chests, wave flags or rush in flotillas of aircraft carriers and missile cruisers? No wonder that this year's Asean agenda was buried so effectively. ASEAN would have to work a lot harder to ensure it keeps control of the agenda at next year's meeting.

Singapore: Turkey's Erbakan Meets Muslim Officials

TA1608094496 Ankara TRT Television Network
in Turkish 1700 GMT 15 Aug 96

[Mehmet Alkas video report from Singapore]

[FBIS Translated Excerpt] [passage omitted] Prime Minister Necmettin Erbakan held a meeting with Singaporean Prime Minister Goh Chok Tong today. After that meeting, the delegations of the two countries met. The delegations were headed by the two prime ministers.

In the afternoon, Erbakan attended a briefing session at the Singapore defense industry. He also received the mufti of Singapore and the Singaporean Islamic community assembly chairman. The mufti expressed his pleasure with Erbakan's visit. Erbakan said that throughout its history, Turkey has rendered the greatest services to the Muslims. He pointed out that Singapore is a country that is developing very fast and that the 500,000 Muslims living in that country contribute to that. He said: It will be very beneficial for us to be briefed by our brothers — whose work we follow from Turkey — on the work they do.

[Begin Erbakan recording] Our talks will increase our brotherhood. God willing, there will be major tourism activities between Turkey and Singapore from now on — we planned this together with the honorable prime minister today. We planned to cooperate in various fields. A major share of these plans will fall on our Muslim brothers in Singapore. [end recording]

In the evening, Erbakan attended a dinner given in his honor by Prime Minister Goh Chok Tong. In a dinner toast, Erbakan said that Singapore developed very fast in a mere 31 years, and that this is a major success.

He stressed that the stable and honest administration of Singapore played an important role in this achievement.

[Begin Erbakan recording] In another part of the world, Turkey is a powerful country that has been making similar efforts and that has achieved significant progress. With its domestic market of 65 million, its developed human force, its rich natural resources, its industry that is equipped with advanced technology, and its structure that is open to the outside, it is a leading regional country whose friendship and cooperation are sought. We have powerful and encouraging relations with the Middle East, the Balkans, the Mediterranean, the Black Sea, and the Central Asian republics — relations that go back in history but that have been strengthened with contemporary means. [end recording]

Erbakan stressed that the cooperation between Turkey and Singapore will yield fruitful results based on mutual interests.

The Singaporean prime minister pointed out that his country is ready to develop its relations with Turkey and that this is the aim of Erbakan's visit. He went on to say that Turkey is an important point for reaching the Central Asian Turkic republics and the open market of the Balkans.

Erbakan will end his contacts in Singapore tomorrow. He will leave for Malaysia on the same day.

Singapore: Turkey Assured of Help in Forging Business Links

BK1608100796 Singapore THE STRAITS TIMES in English 16 Aug 96

[Report by Ravi Velloor — received via Internet]

[FBIS Transcribed Text] Singapore is ready to facilitate Turkey's entry into Asia.

Speaking at a dinner he hosted last night for visiting Turkish Prime Minister Necmettin Erbakan Erbakan, Mr. Goh Chok Tong noted that Singapore's roots in Asia and links with the West enabled it to serve as an interface between East Asia and the West.

Singapore welcomed partners from Turkey to take advantage of the economic opportunities offered by the dynamic Asia-Pacific region, he said.

In turn, Singapore recognizes the strategic place Turkey holds in the emerging markets in West Asia.

"Turkey is also well-placed to be a springboard into the opening markets in the Balkans and the Central Asian Republics," he added, noting that the Trade Development Board intended to send a mission to Turkey.

Turkey's new prime minister arrived here late on Wednesday evening on the third leg of a five-nation tour that has already taken him to Iran and Pakistan. This is Professor Erbakan's first overseas visit since taking office in late June.

The Teheran leg of the journey raised controversy after the US State Department criticized a deal under which Turkey agreed to buy US\$23 billion (S\$32.2 billion) worth of natural gas from Iran.

Mr. Goh said it was an honor to have Prof. Erbakan visit Singapore and the region soon after taking office.

He said it was a central theme of Singaporean foreign policy to develop political dialogue with other countries in order to have a more rounded relationship.

"I understand that you have also set as your mission to build bridges of understanding between different regions and cultures. "Turkey, which is geographically at the crossroads of Western civilization and the Muslim world, is well-placed to play such a role. We wish you success in this mission," he added.

Responding, Prof. Erbakan, who spoke in Turkish, drew attention to the efforts to bring peace to the Middle East, the Caucasus and the Balkans, Turkey's strategic sphere.

"This means that in the short and medium term a major effort for reconstruction and production will get under way in the region, of which Turkey is a part. This would in turn open up new opportunities for Turkey and Singapore to engage in mutually beneficial cooperation.

"Turkey stands ready for such cooperation," he added. Prof. Erbakan, who is on a three-day working visit to Singapore, leaves today for Malaysia and Indonesia.

Yesterday, he began his official engagement with an hour-long visit to the Port of Singapore Authority [PSA] where he was briefed by PSA Deputy CEO [chief executive officer] (Operations) Lee Chee Ying, followed by a land tour of Brani Terminal, one of PSA's three container terminals.

The silver-haired Turkish leader, accompanied by several of his ministers and a 40-strong media team, asked PSA officers whether it would be possible to build a similarly efficient, but smaller operation in Turkey.

Mr. Lee responded that the Singapore investment in Dalian, north-east China, where it had constructed three berths to begin with, was a good example of just such an effort.

"If Turkey is interested, it would be possible," he added.

Prof. Erbakan later led delegation-level talks at the Istana with Mr. Goh and spent 45 minutes at the Jurong Town Corporation in the afternoon.

Singapore: Turkey's Erbakan on Relations With Neighbors

TA1608083296 Ankara Turkiye Radyolari Network
in Turkish 0430 GMT 16 Aug 96

[FBIS Translated Text] Prime Minister Necmettin Erbakan has declared that Turkey extends a hand of peace, friendship, and cooperation to all its neighbors and expects its neighbors to reciprocate in kind. Erbakan called on Singapore businessmen to invest in Turkey, which has become attractive for foreign investors. Erbakan's contacts in Singapore are continuing. TRT correspondent Mehmet Alkas reports on these contacts:

[Begin Alkas recording] This morning, Erbakan first attended the joint Turkish-Singapore businessmen meeting. Addressing the opening of the meeting, Singapore Trade Minister Yeo Tong said that the relations between the two countries are developing positively and expressed the belief that they will be further increased.

Also speaking at the meeting, Erbakan explained that in addition to the elimination of the bipolarization and ideological restrictions in the world, we are unfortunately also witnessing negative dynamics such as aggression, ethnic nationalism, racism, and terrorism. These negative phenomena have caused bloodshed in many regions, Erbakan added. Pointing out that international organizations, especially the United Nations, have failed to adjust to these deep-rooted changes, Erbakan noted, on the other hand, that economic and commercial activities have increased as a result of scientific and technological developments. He stated that these changes have also affected the agenda of Turkey's foreign policy. Erbakan recounted that Turkey has assumed extremely difficult roles in the Balkans, the Caucasus, and Central Asia, as well as in the region stretching from the Black Sea to the Middle East. Turkey is also actively participating in the activities to protect international peace, Erbakan stressed.

He stated: The emergence of new states in the international scene has increased the number of Turkey's neighbors from six to eight. Turkey is trying to maintain good-neighbor relations based on mutual interests with all its neighbors. It does not nurture ill intentions for any of its neighbors. It extends a hand of peace, friendship, and cooperation to all of them, but expects its neighbors to adopt the same approach. Those who do adopt this stand benefit from Turkey's friendship, cooperation, and opportunities.

Erbakan remarked that Iraq's occupation of Kuwait and the consequent ramifications closely concern Turkey. Noting that Turkey incurred great damages because of the sanctions imposed on Iraq, the prime minister said

that the reopening of the Turkish-Iraqi oil pipeline will compensate for some of these losses.

Erbakan declared that along with many other countries, Turkey's relations with the United States and Europe are also developing. He added: We are strengthening our cooperation with the United States in various fields in accordance with the concept of partnership established with this country. We also concluded a customs union with the EU, of which we are an associate member, as of 1 January.

The prime minister explained that Turkey conducts half of its trade with European countries and is therefore a candidate to act as a bridge between the Islamic countries and the EU. Erbakan underlined that Turkey, which used to receive aid in the past, has now become a country that extends hundreds of millions of dollars worth of economic, financial, commercial, technical, and humanitarian aid to some 50 countries over three continents. Erbakan went on to say that on the basis of its peaceful and active foreign policy, Turkey has become a reliable, influential, sought-after, and respectable country of the international community.

Commenting on the Turkish economy, Erbakan explained that a high growth of rate was registered and imports and exports have increased in Turkey, which has turned into an attractive country for foreign investors. He revealed that Turkey is planning to undertake privatization moves totaling \$40 billion in the next five years. Erbakan pointed out that Turkey is taking significant steps in a bid to provide its economy with a dynamic structure like Singapore and will continue to do so in the future. Erbakan called on Singapore's businessmen to benefit from the opportunities offered by Turkey.

The prime minister later attended the briefings held at the Singapore Commerce Department and Economic Development Department. After concluding his contacts in Singapore, Erbakan will proceed to Malaysia this evening. [end recording]

Singapore: Foreign Ministry Discusses Jayakumar SRV Visit

BK1608073596 Singapore THE STRAITS TIMES
in English 16 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Foreign Minister Shunmugam Jayakumar will arrive in Hanoi today for a two-day visit to discuss regional issues with his Vietnamese counterpart, Mr. Nguyen Manh Cam.

A Foreign Ministry statement yesterday said the visit, at the invitation of Mr. Cam, would "strengthen Singa-

pore's warm and friendly" relations with Vietnam. Vietnam became the seventh member of ASEAN last year.

The two foreign ministers, who last met in Jakarta last month for ASEAN meetings, will exchange views on ASEAN and other regional developments.

Prof. Jayakumar, accompanied by ministry officials, will also call on Vietnamese Prime Minister Vo Van Kiet.

Singapore: Official: Economic Slowdown Could Last 9 Months

BK1608070196 Singapore THE STRAITS TIMES
in English 16 Aug 96

[Report by Narendra Aggarwal — received via Internet]

[FBIS Transcribed Text] Singapore's current economic slowdown, due to the sluggish market for the electronics industry, could last up to nine months, Minister for Trade and Industry Yeo Cheow Tong warned yesterday.

"I think we have to be prepared for a slowdown of anything from three months to nine months," he told reporters after a Nanyang Technological University function at the Hyatt Regency hotel.

Singapore's economic growth slowed to 7 percent in the April-June quarter, down from a robust 10.9 percent expansion in the first quarter.

The second-quarter slowdown was due primarily to a weakening in the electronics sub-sector's growth to 12 percent, about half of the growth recorded in the preceding three months.

Following the lower overall growth in the second quarter, the Ministry of Trade and Industry has revised its full-year forecast to 7 to 8 percent, down from the earlier 7.5 to 8.5 percent.

"Forecasting is never a perfect science, it's partly a science and partly an art, as we depend also on industry feedback," said Mr. Yeo. "In the end, we can only hope for the best."

He said some companies expected the global electronics slowdown that has hit Singapore's electronics industry to pick up by the fourth quarter, while the less optimistic forecasts saw a recovery only in the middle of next year.

Mr. Yeo said a growth rate of 7 to 8 percent is still considered high. When seen at a global level, Singapore's economic growth was still good.

When compared to the economic growth of the past three years, this year's projected growth rate was no doubt lower, but Singaporeans should take note of economic cycles, he added.

The Republic's economy grew 8.8 percent last year after recording double-digit growth of 10.2 percent in 1994 and 10.4 in 1993.

Mr. Yeo said, however, that the economic slowdown should not hamper the regionalization drive of Singapore companies whose profits were expected to dip in line with the country's weaker economic growth.

"I imagine that companies, regardless of the business cycle, should actually be exploring business opportunities in the region because the region is growing very rapidly," he said.

He added that Singapore, among the largest investors in neighboring South-east Asian economies, China and Indochina, could also counteract business cycles by investing in the region.

Asked whether the economic slowdown would in any way affect the General Election expected by the end of this year, he said:

"Singaporeans should focus their minds on the long-term well-being of themselves, of their families and their country."

Mr. Yeo was the guest of honor at the book launch for the Nanyang Business Report Series.

Six books on business opportunities in Penang, Malaysia; Sichuan province and Yangtze River Delta, China; India; the Philippines and Myanmar, were released yesterday.

Cambodia

Cambodia: Phnom Penh Reports on Talks With Khmer Rouge Rebels

BK1608024696 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 15 Aug 96

[FBIS Translated Text] Breakaway dissidents of the Khmer Rouge have held talks with the defense officials of the Royal Government of Cambodia (RGC) and demanded their leader be allowed to run in the 1998 general election. The request came in talks held on Monday in the town of Poipet as the two sides scrambled to seal the terms of a cease-fire leading thousands of guerrillas to cooperate with the RGC.

The Khmer Rouge dissidents wanted Ieng Sary, a former brother-in-law of Pol Pot, be allowed to form a party and run in the coming election. They also wanted to be allowed to maintain control of their bases at Phnum Malai and Pailin.

The Royal Government officials agreed to leave the two key zones in their hands, but withheld consent on the

demand for the party and Ieng Sary's candidacy in the election.

The dissidents and the RGC officials are scheduled to meet again this week.

Cambodia: Paper Reports Talks With Khmer Rouge Defectors

BK1608094396 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 16 Aug 96 pp 1, 11

[Report from Poipet by Peyatro]

[FBIS Translated Text] Ta Mok and Son Sen are in the area of Front 250, while an 18-member committee has been set up by the General Staff Office of the Khmer Royal Armed Forces to coordinate with defected Khmer Rouge. This committee set up a meeting chaired by General Pol Saroeun in Thailand on the evening of 13 August following a meeting with leaders of defected Khmer Rouge Divisions 450 and 415 chaired by General Nhoek Bunchhai on 12 August at a unit near Poipet town. However, no details of these two meetings have been given.

Along with two or three military officials, Gen. Pol Saroeun, deputy chief of staff, quickly went to Thailand through Poipet pass on 13 August after lunch and proceeded to a hotel about 30 kilometers from the border in Thailand's Aranyaprathet Province. It has been disclosed that, at the hotel, leaders of defected Khmer Rouge troops Sok Pheap, and I Kimchheang, and leaders of other Khmer Rouge divisions were preparing to discuss communications plans.

A high-ranking military official who requested anonymity said that there is now agreement in Division 450 in Malai to link up with the Royal Government's Division 12, while in Division 415 in Pailin the situation is not completely clear yet.

According to military intelligence reports, To Mok and Son Sen are known to be in the area of Front 250 preparing plans to prevent troops of Divisions 415 and 450 from defecting.

According to reports by General Ken Sovan, commander of the frontline troops in the northwest, at 0800 on 12 August a violent clash took place in Pailin, lasting for 15 minutes. It was known that Khmer Rouge Division 320 was ordered by Ta Mok to launch the attack against Division 415.

Reports say that movements among the people were observed in the Pailin area a few days before the attack. People in Sala Krau were moved to the rear.

According to reports, troops of Division 415 are digging many trenches in the area around Pailin, from along the

border to the Pang Roloem area. Government troops in the area have not yet been authorized to link up. Military clashes between government troops and this division have stopped since 5 August 1996.

A member of the coordinating committee said that face-to-face talks have started between leaders of defected Khmer Rouge troops and top leaders of the Royal Government. The first step is to set communications targets — starting with radio communications first — to be followed by linkup. Troops will stay in their respective positions but zones are linked up and connections made among troops.

The above military official said, further: We have now made contact and have almost understood one another in all areas. We have even made contact with some divisions in Front 250. One can move freely in the western part of the country, with the exception of Division 36, currently operating in the Moung Russei area. Once we make contact with this unit, the railway line will have no more problems.

Another high-ranking military official in the coordinating committee led by Gen. Nhoek Bunchhai, deputy chief of staff, talked about, and also showed pictures of, the meeting between Nhoek Bunchhai and Khmer Rouge leaders Pheap and Chheang at Division 12 on 12 August, but refused to give away the pictures or details of the meeting except to say that many Khmer Rouge leaders came to Poipet to meet us, Nhoek Bunchhai, and other provincial officials, including Deputy Governor Serei Kosal. They returned a few hours after the meeting, after attending a happy reception.

The above source said that contacts with Front 250, which includes Divisions 320, 171, 705, and 948, have not yet been made. However, there is hope that these units will have good contacts with Royal Government troops.

According to reports, 3,500 troops and 20,000 people in Front 250 will return to the fold. Troops of Division 450, with 1,000 men and 8,500 people, have all agreed to return. In Division 415, 1,500 troops and 13,000 people have also agreed to join the government but some troops still oppose the defection.

Cambodia: Ranariddh Comments on Khmer Rouge Breakaway

BK1508170096 Phnom Penh National Radio of
Cambodia Network in Cambodian
1300 GMT 15 Aug 96

[Speech by First Prime Minister Norodom Ranariddh at the inauguration of the statue of Oknha Khleang

Moeung in Bakan District, Pursat Province, on 15 August — recorded]

[FBIS Translated Excerpt] [passage omitted] A few days ago, I never got around to talking about our compatriots within the ranks of the Khmer Rouge [KR] rebels who want to join the Royal Government [RG]. Why did I not talk about them? Because our compatriots' surrender is not only a complicated issue but also an issue that might pose dangers to our compatriots, especially the families of those who want to join the RG, the patriots, and the national community. So, if we talk about this issue at the wrong time, we might pose great dangers to the family members of our compatriots who are still unable to come out. Why? Because the KR group has been divided into two factions. So, the patriotic faction, which understands the duty of the Cambodians and the patriots, which can no longer tolerate the continued bloodshed among the Cambodians, and which can no longer stay away from the national community, has realized that it is duty bound to rejoin the Cambodian national community and to be with all of the authentic patriots under the cool shade of our king father, king grandfather, and within the framework of the RG and the Khmer Royal Armed Forces [KRAF] in order to restore our country. National development can only be possible if our country is at peace. If our country is not endowed with peace, certainly our national development cannot progress and cannot speed up. Therefore, a large group of voluntary compatriots, who clearly understand the importance of all this, has decided to contact — I do not want to specify whom it has contacted — the representatives of the RG and the KRAF to find ways to come out safely in order to rejoin the national community and take part in the restoration of our country. [applause]

Realizing the importance and complexity of this, I dare not make any speech or statement on the issue, and would leave those who are in charge to make top secret contacts with a high sense of responsibility in order to solve the problem.

Some people wonder why Ranariddh has said nothing about the issue; they have gone so far as to allege that Ranariddh has now been discarded and that FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] is now out of play. [crowd shouts: "Long live Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia."] I do not want to answer those allegations although our compatriots have persistently asked me to do so.

I would like to state in front of the clergy and [the statue of] Oknha Khleang Moeung [a revered Cambodian hero] that if we are truly patriotic, we should do

everything that benefits the nation. We should not let any individual, group, or party reap the benefits. Only the nation can benefit because peace is needed by the entire Cambodian people and nation. Development is needed by the entire Cambodian nation, not a particular individual. For this reason, I did not say anything about FUNCINPEC or any individual who is said to be out of play. What is important is whether we can fulfill our duties for the nation or not. We need to respond to the sacred wish of our people; that is, can we bring about peace and national development to the country? We should not think about profits or losses. We should only think about how to benefit our entire motherland. This is my only perception. [crowd shouts: "Long live the national reconciliation and union policy."]

Therefore, I believe that I should leave this problem for the officials in charge and the competent authorities to continue the negotiations in order to persuade the compatriots who have already broken away from the KR rebels to fully join the RG and live under the cool shade provided by the throne and our king father, king grandfather. We will continue to do this because if we are able to solve the KR problem peacefully, to weaken the KR, and to deprive the KR of troops, they will have no men to fight, and thus the war will eventually come to an end. This is our goal. [applause] [crowd shouts: "Long live the glorious Kingdom of Cambodia."] So, we should continue our efforts to persuade the KR to leave Pol Pot and join the KRAF and the innocent people to defend our nation.

The KR are great criminals, but we should recognize that they have hardly stepped back from fighting the Vietnamese. I wish to make this point clear. It is true that they have killed over two million Cambodians, but they have scarcely backed away from defending the nation, especially in the east. So, I would like to state before the clergy and Oknha Kleang Moeung that I am of the opinion that we should strive to put an end to the war. However, we should also strive to create a truly patriotic movement among the KRAF and the National Police, which are the forces providing internal security and defending our nation, meaning our territorial sovereignty. This is the real factor determining peace in our country. [passage omitted]

Some people have said that if you go and fight, I will prepare coffins for you. This is not appropriate language. You should not talk like that. You should not say that when you are killed, I will prepare coffins and plots in a graveyard for you. This is not harmonious at all. We should say we should do whatever we can to bring about peace to our country. We should take the stance that we will solve the problems with Cambodia's neighbors through negotiations. However, should we,

as Cambodians, let the country that is bigger than us invade Cambodia? This is the main question. If we, as Cambodians, do not have a clear answer to this question, we are not Cambodian in the least. That's all I want to say. [passage omitted]

Cambodia: Hun Sen Guarantees Ieng Sary's Life, Security

*BK1508134796 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 15 Aug 96*

[FBIS Translated Excerpt] [passage omitted] Today, I would like to say a few words that national and international television crews and foreign reporters — I know Mr. Sambath from AFP very well; he is a Cambodian employed as a foreign reporter; generally, he has written many good reports — will ask me about later if I do not speak now. So, now I will speak. It is certain that I will be asked two questions: What is the current development in Pailin and Malai? and what is the fate of Mr. Ieng Sary? They will certainly ask these questions.

Availing myself of this opportunity, I would like to inform you, the clergy and the compatriots, that the situation in Malai and Pailin has been fine since the declared breakaway and opposition to the ringleader Pol Pot. Compatriots have been pleased with the success that has been achieved in mobilizing and incorporating reinforcement forces from other divisional units into the 250th Front. Forces of both Divisions 450 and 415 have expanded even though Ta Mok and Son Sen have painstakingly ordered forces to attack them. This is what makes compatriots there happy because they have not been affected by any attacks yet. However, we wish to appeal to those who have received the order to kill, and to attack breakaway families or forces to understand that the latter can no longer abide by orders from the Khmer Rouge [KR].

I can report that a linkup with the Royal Government [RG] has taken place as of 8 [August]. Even they have not yet joined hands, all of the front line forces have managed to avoid confrontations, and government forces are preparing to intervene in that area if the need arises. We have shipped supplies, such as ammunition, rice, food, and clothing, to that area since the beginning of this month — that is, one week before the declared breakaway — because we had already been in contact over the issue.

Lately, I do not understand why there have been comments that the task [of initiating the breakaway] was carried out by this or that person. I would like to make it clear that this is a common task of the RG, that

this is a common policy of the RG; who has done or not done whatever is not important at all. Even when a person leaves, support for the common policy will certainly continue to exist. So, there is no need to state that this is the achievement of this or that person, and one should not speak too early about something that has not yet occurred, because this is very dangerous.

One persistently asks: Which general or which person has done that? This is very dangerous, and you are asked to understand. I worked on the case of [the KR defection in] Aoral [Kampot Province] for more than three months, but I kept it top secret. However, at this time I can tell you that maneuvers were implemented in Aoral. How? Keo Pung [former KR commander in Aoral] was brought to Phnom Penh secretly. Moreover, how should we have resolved the problem facing more than 400 troops from Division 18 at a time when their family members were still living in a KR-controlled region? If they surrendered on the front line, their mothers, fathers, brothers, sisters, sons, and daughters would have been killed in the rear. This was a problem. Only a few people were aware of this problem.

General Tie Banh and I instructed [Deputy Chief of Staff] Gen. Pol Saroeun to carry out this task in an extremely secret manner. Nevertheless, some information was actually leaked, but it was not that substantial. We did not speak about what was important.

At that time, to save the families of the 18th division troops from being killed by Pol Pot, when the division surrendered in groups, we resorted to maneuvers by ordering the government's Division 5, Regiment 44, and Division 1 to stage bogus fighting among themselves, then pretend to be defeated, and finally to run away, leaving rice and (?ammunition) behind. Actually, there was no fighting of any kind, except for indiscriminate shootings and mine explosions and some 20 sacks of rice left behind. In some areas, 20 or 30 sacks of rice and some ammunition were left, leaving Mr. Pung to protect the supplies himself. We withdrew our troops 40 km, 30 km, or 20 km to the rear. After that, Mr. Keo Pung sent a message to the [KR] higher command saying: The puppets have run away from that region, and we have already liberated this or that area. So, it is requested that the higher level send the families of Division 18 to this region.

Once the families arrived, troops from Mr. Keo Pung's Division 18 took off Pol Pot's military uniforms, put on government ones, and went to welcome their children and wives. The children, seeing their fathers wearing camouflage para uniforms, screamed: the Vietnamese heads, the Vietnamese heads, then fled into the jungle.

I want to say that this method came from nowhere. Nobody teaches it. We can take all kinds of initiatives providing we achieve success in the end. This is what I wanted to tell you.

At this hour, it is not possible to say how we will deal with Pailin and Malai. You should refrain from asking too many questions. After this, you, reporters, are asked not to raise any more questions. What I just told you is more than enough for you to understand the situation. You should understand what has been done and how. As to who has done what, it is too soon for you to know.

You might want to help the people or end the war, but if you talk, you might prolong the war, instead.

At any rate, the Aoral case was already closed a few months ago. It is no longer a secret. This is what they call Pol Sareun tactics supported by leaders and the leadership, but it was top secret. When Pol Sareun wanted to tell me something while my wife was with me, I told my wife to leave for a while. I had to act secretly, otherwise the lives of those in the area and of Mr. Keo Pung and his men and their families could not have been protected. That was very dangerous.

Now, you can ask: What about Ieng Sary? As I said in my recent statement, I prepared, between 2345 and 0100, an extremely urgent appeal. Although, the prince krompreah [Norodom Ranariddh] did not sign the appeal with me, our common policy has existed for a long time; that is, we should do whatever we can to end war. I need to urgently disseminate this message from the air and strew it on the ground along the Cambodian-Thai border to restore calm. This is why there was an allegation that the appeal was from Hun Sen and that the prince krompreah knew nothing about it. It is not like that. While commanding troops, as co-commander in chief, I needed to issue an urgent command before doing anything else. I could not simply wait because I needed to seize the opportunity which was very important. When the KR hurled through its radio an accusation at him and demanded that he be destroyed, if a guarantee was not disseminated expeditiously, Mr. Ieng Sary would have been in danger. So, I had to do everything to end the war. Anyway, this does not mean that I have acted alone; many people were involved; but now we should not be too talkative and reveal too many things.

You might ask: How will the problem concerning Mr. Ieng Sary be solved? In one of my statements, I appealed to combatants, both male and female, and cadres of breakaway units to help protect their leaders who love the nation and want to end the war. I did not actually mention Mr. Ieng Sary by name, but at the inauguration of [word indistinct] when I was asked by reporters what

I would do to resolve the case of Mr. Ieng Sary and what my opinion about him was, I replied that I was grateful to Mr. Ieng Sary. His past is another matter, but now he has displayed a caring quality for the lives of tens of thousands of people. In my view, Mr. Ieng Sary should be praised for his quality. Whoever manages to end the war and bring about peace and national reconciliation should be encouraged.

Now, I wish to put forward a question that needs an answer: Does Mr. Ieng Sary still have a choice, despite being wanted to be killed and condemned by Pol Pot, and being sought to be killed by us? This is a question we should ponder. Should he have no choice, he would lead his loyalist forces to fight until the end. If so, what will the situation become? You, all Cambodians and foreigners, are asked to think about this question.

Dear clergy. When we cast a fishing net into the water, we will certainly catch rubbish if not fish. You, the clergy, are not really delighted when I talk about fishing except when you are offered dishes cooked with fish. This is just an example.

Fighting that aims to destroy His Excellency Ieng Sary's loyalist forces is not a joke. How many lives and how much money will be spent to destroy these forces? This is a question that you are asked to consider. In seeking peace, we should do all we can, all we can. The United Nations allowed the KR — the KR political and military organizations — to become a member of the Supreme National Council. The United Nations recognized the KR between 1979 and 1991, and Mr. Ieng Sary himself made speeches there. Why did they not say that it was wrong? Why is Hun Sen wrong for just saying thank you to Mr. Ieng Sary? I have my own legal reason as a response.

Now, as a prime minister, I guarantee the life and security of Ieng Sary and encourage him to compel all his forces to link with our forces. The past is another matter. We should not, however, forget that the United Nations allowed Mr. Ieng Sary to make speeches there until the formation of the tripartite coalition in 1982. Moreover, between 1982 and 1991, the KR was still present at the United Nations, and between 1991 and 1993, the KR was still recognized by the United Nations. So, you are asked not to be too extremist. If we can avoid bloodshed and the death of tens of thousands of people thanks to his leadership, we should welcome him. I believe that this is the (last wish he wants to fulfill) before his death.

The good deeds he has performed to make amends for his past mistakes should be recognized and welcomed. Nevertheless, he cannot be included in the RG. Not only can the KR not enter the RG but the other 16 political

parties cannot do so either, because RG members should be selected from parties represented in the National Assembly. Anyway, officers, the rank and file, and administrators at the so-called lower levels are entitled to join the Army, the National Police, the Military Police according to RG policy. They can also be appointed as the mayor of Malai, governors of the districts nearby, or the mayor of Pailin. Those controlling these areas should be left intact; they should not be driven away. Whatever our actions, we should never push them to the limit.

I believe that the issue I have raised and the concession I have made are not too excessive. They are simply aimed at giving them an opening. I am of the opinion that if they turn to the other side, they will be killed by Pol Pot, and if they turn to this side, they will be caught by the RG, so the thousands of breakaway troops will certainly continue to fight. Therefore, I wish to announce that I am ready to make telephone contact with Mr. Ieng Sary at any time. I tell you, the reporters, this straightforwardly, so you do not need to ask me. [applause]

I have not yet stated where Mr. Ieng Sary is now. Some say that he has already arrived in Phnom Penh, while others say that he is in Malai. You should not know too much. That's enough. You should wait until the day you are allowed to know, otherwise Mr. Ieng Sary, who is being hunted down, will be killed if his location is known. As such, we should think clearly, not excessively.

I still remember the former Japanese deputy foreign minister, Mr. Owada, now the father in law of Japan's prince, who held a discussion with me from 2000 to 0130 in early 1991. At that time, I did not agree to accept the KR, but he explained to me: In fact, Saddam Husayn must be arrested and punished as a war criminal. However, if Saddam Husayn was arrested and punished, he would order hundreds of thousands of his troops to continue fighting. So, an opening should be left to some extent for him.

Before I was asked to accept the KR; now as I welcome the KR to the national community, I should not be insulted. I warn you not to insult me. Be careful, I will return the insult, huh! If I return the insult, it will be very serious, because I have been fighting the KR all the way. I have not included the KR in the government as some have already asked. I just accept them into the national community. Be careful, if I hurl back the insult, it will be more serious. Therefore, you should improve your attitude.

I would also like to welcome the KR 890th unit that surrendered in Prek Prasap. They gathered 70 of their

colleagues from Ratanakiri and Mondolkiri Provinces and surrendered in Prek Prasap District, Kratie Province. They are all welcome to leave the jungle.

I think KR existence will end in 1997, except for some hard liners. At any rate, why are some of those who demand that Khieu Samphan be appointed deputy prime minister not criticized? Why do they need to criticize me, who only welcomes and protects Mr. Ieng Sary? We need to discuss this question. Later, do not write that I protect the KR. I have never done that. I have been fighting the KR all the way. [passage omitted]

Cambodia: Khmer Rouge Defector Ieng Sary Issues Statement

*BK1608061096 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 16 Aug 96*

["Statement by Ieng Sary" dated 15 August; place not given — read by announcer]

[FBIS Translated Text] While receiving medical treatment, I heard the news on the radio of Democratic Kampuchea on 8 August accusing me of deserting the ranks and betraying the nation and the people. I was very shocked because, in my many years of leading the struggle for my nation and people, I have never thought of becoming a traitor to my own ranks, nation, people. Therefore, I would like to completely reject this cowardly and groundless slander devoid of concrete proof. Cadres, combatants and their families, and the people who know me cannot believe this.

Slanders and lies are what Salot Sar, alias Pol Pot, has been using during the historic struggle. When he was ruling with dictatorial power for three years, Pol Pot made all the decisions and gave orders to massacre the people without proper consideration. This was aimed at consolidating his own power by indiscriminately purging innocent Cambodians who got together in Hanoi after the Geneva agreement in 1954. Furthermore, Salot Sar, alias Pol Pot, decided to evacuate people from Phnom Penh and other cities without careful consideration and without social and economic preparations, thus causing hardship for the people who tragically lost their family members. Apart from this, Salot Sar, alias Pol Pot, decided to annihilate intellectuals returning from abroad who were willing to contribute to rebuilding the country. He accused them of being agents of CIA, KGB, and agents of countries in which they were studying. Moreover, he was a dictator who purged and destroyed the Communist Party of Cambodia from 1975 to 1978. He was dictatorial toward good cadres who were supported by the people and who were capable leaders who could replace Salot Sar, alias Pol Pot. This cruel purge

created confusion in the entire party; constant and mutual suspicion reigns.

After announcing that I betrayed the nation and deserted the ranks, cadres, combatants and their families, disabled comrades, and families of fallen comrades in Division 415 in Pailin, Division 450 in Malai, Division 250 in south Sisophon, and Division 519 in north Sisophon wrote to me asking for guidance to point the way to the national army and people who have been cut off by the Pol Pot-Ta Mok-Son Sen group; the latter's aim is to destroy Divisions 450 and 415, accusing them of betraying the nation and of being corrupt.

Over the past few days, Salot Sar, alias Pol Pot, the cruelest and most savage murderer, sent his henchman named Ta Mok, along with the named Son Sen, alias Khieu, to the base they call the supreme command, to resolve the conflict in Divisions 450 and 415, a conflict resulting from the struggle of troops and people against dictatorship, massacre, confiscation of people's property, and the policy of traitors Salot Sar, alias Pol Pot; Ta Mok; and Son Sen, alias Khieu, to burn and destroy people's houses.

In this acute conflict Ta Mok, who set himself as Pol Pot's representative to resolve the problem, dared not do anything because this conflict exposes dictatorship and crimes of Son Sen, alias Khieu, who is Pol Pot's dictatorial partner. On the contrary, Ta Mok disseminated documents unacceptable to our army and people. This was like pouring oil on a fire to even further fuel the anger of the army and people.

Based on the correct and clear analysis of troops and people in Divisions 415 and 450, we clearly understand that Salot Sar, alias Pol Pot; Ta Mok; and Son Sen, alias Khieu, have returned to the original three-year old cruel and most savage regime which is feared and most detested by the nation and the people and the world.

Faced with this serious danger, the rank and file, troops and people in these divisions did not know how to find a clear and comfortable way out to move toward ending war and toward national reconciliation. They have also lost confidence and hope in leader named Salot Sar, alias Pol Pot; Ta Mok; and Son Sen, alias Khieu. Therefore, the rank and file, troops, and people in Division 415 and 450, with the assistance of Divisions 250 and 519, have sent reports to me — a former leader of Democratic Kampuchea known among the entire nation as someone who genuinely loves the nation and the people; who used to lead in accordance with a democratic regime; and who had experience in building and developing the Malai area — detailing the real situation and the activities of this handful of traitors, namely Salot Sar,

alias Pol Pot; Ta Mok; and Son Sen, alias Khieu, so that I return to immediately lead these divisions.

So, although I have not yet finished my medical treatment, I have decided to resume leadership by cutting myself off from the organization, policy, and working procedures of the cruel and fascist regime of Pol Pot and returning to a democratic regime acceptable to the rank and file, troops, and people.

Therefore, my return is not due to instigation by the alliance and communist Vietnam to cause trouble among the people's army as accused by the group of Pol Pot, Ta Mok, and Son Sen, alias Khieu. The truth is that this was the profound request of the rank and file, nation, and people who demand that I return to lead them in this very difficult situation.

Finally, I, along with the rank and file, troops, and people who have invited me to lead them, will join the entire nation to move toward a genuine national reconciliation different from the illusion of Pol Pot, Ta Mok, and Son Sen, alias Khieu, who think only of bloodshed and war until the end of the world.

15 August 1996

Ieng Sary

Cambodia: Sources Cited on Talks With Khmer Rouge 'Dissidents'

OW1608001796 Tokyo KYODO in English
2352 GMT 15 Aug 96

[By Varunee Torsrichaen]

[FBIS Transcribed Text] Bangkok, Aug. 16 KYODO — Breakaway dissidents of the outlawed guerrilla group Khmer Rouge submitted political demands, including permission to be candidates in the next election, to the Cambodian military Thursday [15 August], sources familiar with both sides said.

Demands were handed over to Cambodian armed forces Chief of Staff Ke Kim Yarn and his deputy Nhiek Boun Chhay when they met at the government's Army Region No. 5 headquarters in Battambang, the sources said.

The guerrilla dissidents demanded a cease-fire and an autonomous area to be established in the gem-mining center Pailin and Phnom Malai in western Cambodia. They also sought permission to form a political party to be led by Ieng Sary, a brother-in-law of shadowy Khmer Rouge leader Pol Pot, the sources said.

Ke Kim Yarn was quoted as replying to the breakaway dissidents, which were represented by Lt. Gen. Prom Su, that he would forward the proposal to the first and

second prime ministers — Prince Norodom Ranaridh and Hun Sen, respectively, according to the sources.

Government officials reportedly agreed Monday to leave the key zones for the time being in rebel hands, but shelved the political demands for the autonomy and Ieng Sary's candidacy in the election.

Monday's meeting was held in Cambodia's western border town of Poi Pet, the sources said.

Ieng Sary, who was the No. 2 man in the 1975-1979 regime, and Khmer Rouge leader Pol Pot were sentenced to death in absentia for overseeing the killing of two million people through execution, starvation, disease and overwork.

The guerrilla breakaway group also requested Phnom Penh to correct earlier news disclosed by Hun Sen that they surrendered to the government, according to Prom Su.

Hun Sen said last week the two dissident commanders, Mit Chien and Sok Pheap, had defected along with thousands of supporters. The announcement was made only hours after Khmer Rouge clandestine radio, still controlled by hard-liners, condemned the breakaway leaders as traitors and called for their destruction.

The two commanders broke away from the Pol Pot faction along with 3,000 supporters, a move viewed by analysts as a sign that the guerrilla group is facing its most serious split since it was ousted from power in 1979.

The Khmer Rouge signed the 1991 Paris peace treaty officially ending the civil war but later boycotted UN-supervised elections in 1993 and has continued fighting against the new coalition government.

Cambodia: Military Hold Talks With Khmer Rouge Faction

BK1608023996 Bangkok THE NATION in English
16 Aug 96 p A1

[Report by Marisa Chimprapha]

[FBIS Transcribed Text] Aranyaprathet — The Cambodian government, led by two of its top military leaders, is currently in negotiations with a Khmer Rouge faction, that recently defected, at the border town of Aranyaprathet, an informed source said.

Co-Defence Minister Gen. Tea Chamrat and Deputy Chief of Staff Gen. Nhoek Bunchhai met the Khmer Rouge faction leaders, Sok Preap and Mit Chhien from divisions 450 and 415, respectively, in Poipet district of Banteay Meanchay province, close to Sa Kaeo's Aranyaprathet district.

The source said the negotiations over their return to Cambodian society were almost complete. "After that they have to convince some of their own commanders loyal to the hardline Pol Pot faction," he said.

Meanwhile, Sok Preap yesterday claimed that all Khmer Rouge commanders had agreed to defect from Pol Pot's faction and join the government and Mit Nikon, a Pol Pot loyalist, has already fled to an unknown place.

"I can say that now that all the Khmer Rouge commanders will defect from the hard-line faction loyal to Pol Pot and Son Sen. It is expected that we will announce the official defection within the next week," he said.

The Khmer Rouge faction has already convened in their controlled area of Phnum Malai and Palai and until yesterday, the source said, the meeting was still in progress.

Gen. Tea Chamrat arrived in Bangkok from Phnom Penh on Monday for a private visit, during which he was said to have had a medical checkup. The source said he returned to Cambodia to attend the meeting accompanied by his staff at the Cambodian Embassy in Bangkok by road via Aranyaprathet district.

Tea Chamrat and Nhoek Bunchhai belong to the Funcinpec (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) Party of First Prime Minister Prince Norodom Ranariddh.

"The Khmer Rouge faction wants to know what their position will be concerning the Cambodian community and politics. They want a guarantee from the administration that once they join the government they would not find themselves in a weakened position," the source said.

Since the announced defection, Second Prime Minister Hun Sen of Cambodia's People Party has expressed support over the move, while the first premier has remained silent.

Cambodia: Government Agrees to Two Rebel KR Faction Demands

BK1608022496 Hong Kong AFP in English
0208 GMT 16 Aug 96

[FBIS Transcribed Text] PHNOM PENH, Aug 16 AFP — The Cambodian government has agreed to two of three demands made by renegade factions of the Khmer Rouge (KR) in order to secure their defections, an intelligence source said Friday.

General Chea Soth, chief of the Ministry of Defence's intelligence department, said government negotiators agreed to a ceasefire with the rebel faction headed by the group's former number two Ieng Sary.

The government also agreed to allow the rebels to remain undisturbed in their bases and promised not to occupy or send troops into the areas under the control of the defecting commanders, Chea Soth added.

But no agreement was reached on the rebels' third demand to allow Ieng Sary, former Khmer Rouge deputy premier and foreign minister, to run in the next general election scheduled for 1998, Chea Soth said.

"We will ask our leaders about this issue," said Chea Soth, leader of the negotiations with the factions in the border town of Poipet.

Commanders of several guerrilla divisions loyal to Ieng Sary have been negotiating with government officials to join Phnom Penh but many in the capital are wary of accepting Ieng Sary because of his checkered past.

"The meetings were very successful and the Khmer Rouge representatives promised to persuade many of their friends to join the government as well — at least eight other divisions," said Chea Soth.

The agreements were reached during meetings Aug 10-11, but were kept secret until Friday, said Chea Soth, who added that negotiations were expected to continue over the rebels' demand to allow Ieng Sary to run in the elections.

Ieng Sary, Pol Pot's second-in-command in the Khmer Rouge's 1975 to 1979 government of Democratic Kampuchea, last week split from the rebels' hardline central leadership and was branded a traitor who "must be destroyed."

He was convicted and sentenced to death in absentia along with Pol Pot in 1979 by the Vietnamese-backed government that Hanoi installed after toppling the Khmer Rouge who are blamed for the deaths of at least two million Cambodians by execution, starvation or disease during their reign of terror.

Cambodia: Government, 4 Khmer Rouge Divisions Agree to Terms

BK1608123396 Hong Kong AFP in English
1142 GMT 16 Aug 96

[FBIS Transcribed Text] Poipet, Cambodia, Aug 16 (AFP) — The Cambodian Government has agreed to ceasefire terms with four Khmer Rouge divisions who had split with their hardline leaders, and will soon complete negotiations with a fifth, officials said Friday.

The truce will apply to four rebel units in northwest Cambodia — Divisions 250, 415, 450 and 498.

However, under the agreement, the Cambodian Army has agreed not to enter or try to occupy their areas of

control, General Duong Sokhong, deputy commander of the 5th military region said.

Representatives of the divisions, which are loyal to Ieng Sary, the former right hand man of Khmer Rouge leader Pol Pot, reached the agreements with Phnom Penh on Thursday after four days of talks, the officials said.

After signing the agreement with Cambodian Army deputy chief of staff, Nhek Bunchay, the representatives were flown early Friday by helicopter to Ieng Sary's headquarters at Phum Dong about 30 kilometers (20 miles) south of here on the Thai border, they said.

Duong Sokhong, who attended the negotiations, said he and Nhek Bunchay would travel to the base of a fifth renegade division, the 519th, on Saturday to complete negotiations with its commander, Ta Su.

Duong Sokhong and other senior commanders brushed aside questions about the renegades' demands that Ieng Sary, who has been branded a traitor by the rebels clandestine radio, be allowed to lead a new political party and contest the next general elections in 1998.

"Our negotiations were made army to army," Duong Sokhong said, adding that any other non-military questions would be dealt with by officials in the civilian administration.

"There will be another step but as for now it has been soldier to soldier about military and development matters," he said.

Duong Sokhong added that Saturday's negotiations with Ta Su "would not mix political work with development work," adding that issues to be discussed would include road clearing, demining and assistance to villagers.

Asked if the army would defend the renegades if they were attacked by the hardliners, Duong Sokhong replied: "This is another step, a very difficult step. If there is an order we will, but there is nothing about that in the agreement."

Although the total number of renegade fighters has yet to be determined, military officials said the entire northwest of Cambodia across from the Thai border from Pailin to Poipet was no longer Khmer Rouge territory.

"We will go into detail about the number of fighters and families and development work soon," Duong said.

Once negotiations with Ta Su are completed on Saturday, that area will extend to Thamar Puork 60 to 70 kilometers (30 to 40 miles) northeast of here.

Hardline commander Ny Korn and the Khmer Rouge's self-described defence minister Son Sen, who had been

commanding the loyalist division 320, and ordered to attack the renegades had fled south, Duong Sokhon said.

Duong and other commanders who requested anonymity, said negotiations had been "friendly" and began with a party and nightclub excursion in Poipet on Sunday, where there was much drinking.

Earlier at a lunch in Poipet the former enemies and the government officials drank toasts to each other, he said.

Cambodia: NADK Warns Masses To Avoid Confrontation

BK1608053796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 Aug 96

[Declaration issued by the NADK Supreme Command on 15 August; place not given]

[FBIS Translated Text] I. The events regarding Ieng Sary, alias Van, and a handful of his henchmen — the named Chhien in Pailin and Pheap in Malai — has affected the families of the entire army, the entire army combatants, and the majority of cadres.

II. The Supreme Command of the National Army of Democratic Kampuchea [NADK] has told cadres from the Supreme Command together with local cadres and masses to resolutely resolve this problem through political means. There will be no gun firing, no arrests, nor anything that may affect humans, materials, or anything in this area. Cadres representing the Supreme Command and cadres and majority of masses in Malai and Pailin areas unanimously agreed that this problem should be resolved through political means so as to avoid confrontation, which would only benefit the enemy near and far, thus affecting the survival of our nation, people, and race. The masses have willingly accepted this policy 100 percent.

III. However, the traitor Ieng Sary, alias Van, even though he has already fled the Malai area, still has contacts with and has ordered the named Pheap in Malai and Chhien in Pailin to gather a handful of his stooge cadres and guns of all calibers, to remove the radio transmitters and walkie-talkies for use in daily work and keep them in a place, and then arrest leading committees in localities so as to cut them off from the Supreme Command, from the majority of good cadres, and from good cadres and army combatants. At the same time, they have organized small groups of individuals — 20 to 30 men each — led by their men to move toward the direction of Sisophon and Samlot districts. However, the majority of armymen and cadres refused to follow them. They thus arrested, shot and killed them one after another. As for army combatants and families who asked

not to be sent away from home to live in exposure to the rains without food and water, they were threatened upon returning home. They killed anyone resisting them.

This is the state of cruelty which clearly shows that they have betrayed the nation and people and the armymen and their families and fully colluded with communist Vietnamese, communist Vietnamese puppets, and the alliance.

IV. For this reason, the NADK Supreme Command would like to make the following decisions:

First: We would like to ask all fraternal cadres, army-men, and families of all armymen to clearly differentiate who have protected your interests and who have betrayed the nation and people and you, and joined hands with the enemies. This is what we would like to stress, although you must have known about it already.

Second: Please maintain your steadfastness and avoid the traitors killing you.

Third: There must be no use of weapons whatsoever, because the enemies near and far and the local traitors have a clear plan to incite gunfire so as to smash our armed forces, the families of our armymen, and our people; that is, they want to provoke us to return fire so that there will be gunfire throughout Malai and Pailin areas. This is the plan set by the communist Vietnamese and alliance to disperse our forces.

For this reason, we must see through this enemy scheme and absolutely avoid any gunfire.

Four: However, a current development is that the communist Vietnamese and the alliance have ordered Ieng Sary and the few traitors at Malai and Pailin to continue their activities to destroy our localities and our armymen and their families. They have even killed cadres, armymen, and masses who refused to follow their orders or opposed them. In such a situation, the Supreme Command would like to give the following advice:

A) You should maintain steadfast and seek to solve problems through political means by, most importantly, relying on the masses in Malai and Pailin areas.

B) However, in the event that they would kill the armymen, their families, and cadres who refuse to follow them or do what they want, the Supreme Command would like to advise you to resolutely defend yourselves from being killed by the enemies near and far and the local traitors. We solve problems through political means while they are using guns. If we do not resist, they will certainly become even more insolent and kill us in accordance with their

traitorous nature and their conspiracy and serving the communist Vietnamese and alliance. Therefore, we must not stand still with folded arms to let them kill us like (Salvador) Allende in Chile. We must not stand still with folded arms and die like FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and ANKI [National Army of Independent Cambodia]. We fight to salvage and liberate our nation and defend our nation, people, and race. This is absolutely clear to the eyes of our internal ranks and national and international communities. But since the enemies have used violence against us and tried to kill and strangle us, we must clearly differentiate between friends and foes.

However, in whatever undertaking, we must absolutely avoid harming the masses, families of the army-men, the army-men, and the majority of cadres. We counter only the miscreants. We absolutely rely on the masses. We will defend ourselves and counter only the miscreants.

Experiences in the past month clearly attest that the masses is the side of the nation, people, and forces fighting for the survival of the nation, people, and race. But the handful of traitors — henchmen of Ieng Sary, alias Van — serves the policies of the communist Vietnamese and alliance. In this situation, we must settle problems with this handful of miscreants according to concrete conditions.

V. The NADK Supreme Command would like to stress that the situation in Malai and Pailin — where there are traitors Pheap and Chhien backed by their ringleader, the named Ieng Sary, alias Van, and behind Ieng Sary are the communist Vietnamese and alliance — is not a tremendous matter as the Vietnamese war of aggression against Cambodia in which there were hundreds of thousands of men led by Le Duc Anh, Le Duc Tho, and Van Tien Dung. And it is not as tremendous as when they attacked Phnum Chhat, Stoung, and the first and second Anlung Veng.

The questions are — these should be clear questions — how many men do the traitors have at Malai? How many people are there? If they deploy their forces, how many places can they deploy?

To these questions, we can give clear answers. The majority of masses opposes them. With such a vast territory, the forces following cannot cover the entire area. Ninety percent of the entire area will be left uncovered.

In Pailin, the traitors have gathered force and organized them into groups of 20 to 30 men each to deploy along the areas bordering Pailin. They do this to avoid the masses from moving in and out of this area and avoid

cadres and combatants from contacting each other. We ask: How many places can they deploy forces in the entire Pailin zone?

The most they can deploy is 10 percent of the area, thus leaving a big gap.

This shows that they have many weak points politically. Militarily, they also have weak points. All they can do is thus to stage a show of their giant mask by gathering guns of large and small caliber and tanks to loudly fire shots.

This is called powerful show. But actually, they are very weak. This is why we mainly and basically implement political course of action. Military means will be synchronized only when really very necessary.

Therefore, so long as we rely on the force of the masses, do not harm the masses, and resolutely settle problems through political means, we will absolutely have forces on our side. The masses will not follow the traitors because they are the miscreants, assassins, and ruffians who only harm the daily living of the people. The masses absolutely oppose them.

At the same time, even if we were to use arms, we would be using them against the evil traitors only. It is like clearing up a few wounds so that the flesh in Malai and Pailin will be clean. The masses want it to be settled this way.

We would like all brothers and sisters to implement this guideline thoroughly and correctly without deviation.

[Dated] 15 August 1996

[Signed] The Supreme Command of the NADK

Cambodia: Columnist Urges Measures Against Drug Traffickers

BK1508151596 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 15 Aug 96 pp 1, 2

["This Issue's Comment" column by M. Santepeap]

[FBIS Translated Text] The allegation that Cambodia has been used by Mafia groups as a transit for their heroin trafficking has become clear following a revelation by international news sources that the Mauritania authorities seized nearly seven tons of drugs from a ship.

This huge drug haul took place in Mauritania in the second week of August 1996, when 6,750 kilograms of drugs were found on a Danish ship "Maersk Douala" heading toward Gambia from the Kingdom of Cambodia.

People are still well aware that lately the Cambodian authorities cracked down on several drug traffickers

and seized 72 kilograms of heroin. Nguon Soeu, a former high-ranking official of the Interior Ministry, told journalists before he was removed from his post that at least 600 kilograms of heroin were transported through Cambodia each week.

This statement was a shock to the international circles to the point that the United States regarded Cambodia as a user of and trafficker in heroin. However, there was also reaction from the local authorities concerned, who said that this was an exaggeration.

Until now, although no authorities concerned in the Royal Government have made any comment on the case of the Danish ship that transported many tons of heroin from Cambodia, various circles have been paying keen attention to the seizure of this huge amount of heroin, because it took place simultaneously with the newly discovered scandalous event of drug trading by officials of the Interior Ministry's anti-drug office as well as the investigation into the involvement of a number of high-ranking interior officials with the disappearance of heroin that was used as evidence in court.

Whether they like it or not, the observers in Cambodia hold that in Cambodia, the international Mafia groups now enjoy most favorable facilities for transiting their drugs because of the incapability of the authorities concerned, or, to be more specific, because of "the corruption and conspiracy practiced by the authorities concerned."

Public circles are waiting to see what measures the Royal Government of Cambodia will take regarding the scandal at the Interior Ministry, but it seems to be too hesitant to do anything. However, it is expected that with this latest news on drug trafficking from Cambodia, the government will stop hesitating and start doing something, because this event indicates that the problem involves not just the Interior Ministry but also many other officials concerned.

It is really a shock to hear that over six tons of drugs were so easily loaded on a ship to be transported from Cambodia, that is, Phnom Penh.

From which point should the Royal Government start working so as to improve the situation? It is common knowledge that drug trafficking not only seriously affects the national economy but also brings many obstacles that affect the national policy.

Indonesia

Indonesia: Suharto on Riots, Politics, Foreign Affairs

OW1508124396 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 14 Aug 96 Morning Edition p 3

[Summary by NIHON KEIZAI SHIMBUN's Jakarta Bureau of remarks made by Indonesian President Suharto at an "unusual" meeting with NIHON KEIZAI SHIMBUN president Takuhiko Tsuruta and Tokyo main office chief editor Kenjiro Horikawa at the presidential palace in Jakarta on 13 August]

[FBIS Translated Text] Following is a summary of President Suharto's meeting with NIHON KEIZAI SHIMBUN:

Jakarta Riots

The Jakarta riots in late July were instigated by people who defy the constitution. We believe in a democracy based on the five principles of the founding of the Indonesian state (pancasila). The political orientation of the forces that started the riots is similar to the outlawed Indonesian Communist Party. They wanted to demonstrate their power through the riots. We have arrested the masterminds, and this problem is heading toward a solution. Indonesia is a country under the rule of law. Those who violate the law will be punished.

The People's Democratic Party, which takes after the communist party, aims at subverting the government. They took advantage of the internal strife between Suryadi and Megawati (over the presidency of the opposition Indonesian Democratic Party), and the mass meeting by Megawati. Megawati is being investigated for her responsibility in neglecting this situation. The decision on whether to arrest her or not will be made according to law after the investigations.

The National Car Program

The 200 million Indonesian people all want a car. Even if that is impossible, we would like to stop relying on imports and produce cars domestically. Indonesia is able to produce airplanes, but it lacks the ability to produce cars. It needs the help of advanced countries in car production. At present, Indonesia is merely a dealer (for foreign automobile makers). I think the national car program may take 10 or 20 years. We would like to have foreign cooperation. Japanese automakers (which enjoy a share of more than 90 percent of the car market) need not be concerned about losing the market as a result of the national car program.

Domestic Politics and Succession Issue

In the next general election (in May 1997), we would like to maintain a majority in the ruling party Golkar (quasi-official party based on functional groups). I will be 77 years old after the next presidential election. Everything (including whether I should seek a seventh term) will be decided by the People's Consultative Assembly.

It is necessary to prepare the next leader (successor to the president). This leader needs to have many qualifications. Of course, he must be able to perform his duties and should be acceptable to the people. He must not have any doubts about Pancasila and the 1945 constitution. Most importantly, he should have the ability to unite the (heterogeneous) Indonesian nation.

International Relations

The United States and some European countries think that Indonesia is a military regime. That is a misconception. We follow the constitution and all power belongs to the people. We do not interfere in the internal affairs [of other countries]. The only reason we are building up national power is for self-defense. Increased economic power and stability in all nations will contribute to regional peace.

Development in the ASEAN countries will contribute to regional stability. ASEAN will not become a political or military alliance. At present, ASEAN has seven members, but it will have a membership of 10 next year (with the participation of Cambodia, Laos, and Burma). The ASEAN countries are equal partners; we do not have a leader.

I hope that China will not become a threat in Asia. I am concerned that it may control the world market by producing cheap products. It should be clear from the U.S. experience in Vietnam that military power will not solve any problems. Economic cooperation in the Asia-Pacific region will be undertaken within the framework of the Asia-Pacific Economic Cooperation (APEC) forum. As long as cooperation continues, we will be able to maintain economic growth in the 21st century, which has been termed the era of Asia and the Pacific.

Relations With Japan

Japan needs to cooperate with a growing Asia to expand and maintain its economy. Technological and industrial transfer is also necessary. It should keep high-tech industries in Japan but develop other industries that are possible in Asia in this region. Indonesia gives Japan a stable supply of liquefied natural gas (LNG). We would

like to obtain Japan's cooperation in LNG development in the future.

Development Policy

The ratio of petroleum and gas in exports has gone down. In the past, we exported nothing but agricultural products; however, now, there has been an increase in industrial products. This is evidence of economic growth. There are now fewer people living in poverty, and we have increased compulsory education from six to nine years. Sanitation and health are also important issues. We have set up around 10,000 health centers in the whole country.

Indonesia: Foreign Journalists Questioned Over PRD Documents

BK1608020196 Jakarta SUARA PEMBARUAN in Indonesian 15 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Purwokerto, 15 Aug — The security apparatus in Yogyakarta is investigating the case of four foreign journalists who were in possession of documents issued by the People's Democratic Party (PRD). One of the journalists is from the Netherlands, while the other three are Japanese.

Colonel Salim Mengga, assistant in charge of sociopolitical affairs to the commander of the Diponegoro 4th Military Region Command, said in Purwokerto on Wednesday that the foreign journalists tried to escape while being questioned. One of the Japanese journalists managed to escape. It is not yet known whether he is still in Indonesia or has gone abroad. Col. Salim was accompanying Commander Major General Hadi Subagyo.

According to Col. Salim, the investigation by the Yogyakarta Police and the Yogyakarta Military Command is still going on. Their previous interview with Arief Budiman [an academic critical of the Suharto government] in Salatiga could not be confirmed.

The security apparatus is clarifying their case with the Department of Information.

Indonesia: Investigations on Megawati, Aberson Completed

BK1608035596 Jakarta KOMPAS in Indonesian 16 Aug 96

[Unattributed report]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Megawati Sukarnoputri and Aberson Marie Sihalohe were questioned for a second time by the Criminal Investigation Directorate of the Metropolitan Jakarta

Police on Thursday (15 August). They were called as witnesses in the case of Budiman Sujatmiko, chairman of the Democratic People's Party (PRD), charged with subversion act.

The two members of the House of Representatives from the Indonesian Democratic Party (PDI) fraction of the Parliament left the Metropolitan Jakarta Police at about 1200 West Indonesian Standard Time (0500 GMT) after being questioned for about 70 minutes. For the moment, the questioning on Megawati and Aberson Sihalohe was more or less done.

Meanwhile, following a meeting between the Volunteer Team for the 27 July 1996 incident victims and the National Commission on Human Rights yesterday, Marzuki Darusman, commission's vice chairman called on the government to make clear certain laws that are rather confusing, particularly in relation to the 27 July riots in Jakarta.

Marzuki reiterated that if there had been arrests and detentions that were not in consistent with the legal procedure, it would be good that such practices be stopped and not be allowed to repeat itself for now and the future. "Those who have the authority to arrest and detain law breakers are only personnel from the police and the attorney general's office," he said.

Well Treated

Prior to the questioning session, Megawati, wearing a red-white colored gown, waved to a crowd of local and foreign journalists waiting for her arrival outside the Metropolitan Jakarta Police at 0700 West Indonesian Standard Time.

During the questioning, Megawati was accompanied by lawyers, R.O. Tambunan S. H. (Master of law), Madam Amartiwi Saleh S.H., Pantas Nainggolan S.H., Madam Tumbu R. Sarawasti S.H., and T. Brahmana S.H. Meanwhile, Aberson was accompanied by lawyers Nusirwan Thabrani S.H., Bambang Wijoyanto S.H., Y. Silitonga S.H., and Max Y. Lamuda S.H.

Several members of the PDI fraction of Parliament such as Sabam Sirait, Sukowaluyo, Sutarjo Suryoguritno, Ir. (Engineer) Tarto Sudiro, I. Gusti Ngurah Sara were also present for questioning at the Metropolitan Jakarta Police. There were tight security measures around the premises, just the day when the two appeared there for their first questioning.

Speaking to the press at her home later, Megawati admitted that she was well treated. She also disclosed that she met 10 out of 124 PDI members who are under detention at the Metropolitan Jakarta Police.

The 10 PDI members are Susilo Muslim, Didik Budiarto, Wim Herman Tulis, Betty Purwanto, Namin, Joko, Jonacta Yani, Sandra, Suleha, and Fatiah. They took turns to see Megawati in a group of five at a time at the chief of the Criminal Investigation Directorate's office. Megawati told them to strengthen their determination and remain calm. [passage omitted on background of riots]

Indonesia: Military Confirms Arrest of Two Activists in Malang

BK1508125396 Jakarta THE JAKARTA POST
in English 10 Aug 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — Police in Malang, East Java, have arrested two more activists of the Democratic People's Party (PRD), a tiny leftist group the government blames for inciting the July 27 riot in Jakarta.

Chief of the East Java military command Major General Imam Utomo said yesterday that M. Rizal and Wisnu Ranta Hadi, both aged 20, were arrested in their lodging house on Thursday evening.

The two men students at Malang's Muhammadiyah Teachers Training College, are believed to be leaders of the Malang branch of PRD, which the military has likened to the outlawed Indonesian Communist Party.

"They will be released if there is a lack of evidence to charge them with inciting the riots in Jakarta," Imam told journalists in Surabaya yesterday.

Thursday's arrests brings the number of student activists arrested in East Java to seven. All are members of organizations affiliated to PRD.

Imam said the military is still hunting 30 more PRD and Student Solidarity for Democracy (SMID) activists from Jakarta it believes are hiding in East Java.

Among the 30 are 20 students the authorities temporarily detained when the activists led a major labor demonstration in Surabaya on July 8, Imam said.

The Surabaya police are still holding three activists affiliated to PRD arrested during the July 8 labor protest. They are Cun Husain Pontoh, Dita Indah Sari and M. Sholeh.

The authorities have threatened to charge them with subversion, the most serious offense in the country; it carries a maximum penalty of death.

The suspects' lawyer Trimulya D. Surjadi said the authorities' decision to proceed with the subversion

charges lacks strong legal argument, as investigations are still ongoing.

Imam also denied reports that the East Java authorities have planned to expand their target in the ongoing crackdown on government critics to include 17 East Java journalists.

"The rumors are baseless. Journalists are friends to us ... except if they become PRD activists," he said.

Meanwhile, SMID chairman Andi Arif said in a press statement that he and his fellow activists will turn themselves in provided the government retracts its accusations that he is "communist" and "incited the July 27 riot".

He said that the accusations are groundless and that he did not receive any orders from the PRD to do anything in the run up to the July 27 incident.

In its first congress, in 1994, he said, SMID adopted the state ideology Pancasila as its guiding principle but it transformed the foundation in 1996 into a popular socialist body, which its activists considered more concrete.

Popular socialism, he argued, was the opposite of communism because it is adopted by liberal welfare states.

According to Arif, SMID had only between 20 and 30 members in Jakarta and on July 27, as the organization had its own activity in Yogyakarta on the same day.

Arif, who finished his studies in sociopolitical science at Yogyakarta's Gajah Mada University last year, vowed to continue the struggle through underground activities and face the "worst possibility."

He said he was in his home town in Lampung, southern Sumatera, on July 27 and found his boarding house room in Yogyakarta had been raided while he was away.

Chief of the Lampung military regiment Colonel A. Sanusi said yesterday that Andi Arif was still hiding in Lampung but he had not decided whether to arrest him.

"He (Andi Arif) is still hiding here. He has not gone anywhere," he was quoted by ANTARA [news agency] as saying. "We hope we can catch him very soon."

Sanusi guaranteed that all exit points have been closely watched and there is no way the activist will be able to flee Lampung, let alone go abroad.

The authorities in Lampung have registered 30 people they suspect are PRD supporters. They, too, are being closely watched to make sure they do not leave Lampung, Sanusi said.

Separately, the Association of Yogyakarta Students assailed several human rights and political activists whom it says are outspoken only in "time of peace but tightlipped in time of crisis."

In its press statement, it gave credit to activists like Abdurrahman Wahid, H.J.C. Princen, Sri Bintang Pamungkas, Baharuddin Lopa, Hendardi, Arbi Sanit and R.O. Tambunan for their consistent stand over the way the authorities handled the July 27 affair and its aftermath.

But the students said they have not heard anything from other, usually outspoken human rights and democracy campaigners such as Ali Sadikin, Adnan Buyung Nasution and Todung Mulya Lubis.

Indonesia: Army Announces Regional Command Chiefs Reshuffle

BK1508152996 Jakarta THE JAKARTA POST in English 10 Aug 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The Army confirmed yesterday it would replace chiefs of three regional military commands in Sulawesi, Irian Jaya and southern Sumatera later this month.

Army spokesman Brigadier General Robik Mukav said that Maj. Gen. Agum Gumelar, an aide for social and political affairs to the Armed Forces commander has been appointed chief of the Wirabuana military command in South Sulawesi to replace Maj. Gen. Sulatin.

Brig. Gen. Johnny Lumintang has been named chief of the Trikora military command in Irian Jaya to replace Maj. Gen. A. Duniya, while Brig. Gen. Bambang Yudhoyono, currently chief of staff of the Jakarta military command, has been appointed chief of the Sriwijaya military command in South Sumatera to replace Maj. Gen. R. Karyono.

"Only three regional military command chiefs will be replaced. The Army has not planned any reshuffles in the six other regional military commands," Robik said.

He said Army Chief Gen. R. Sartono is scheduled to swear Agum Gumelar in on August 19 in South Sulawesi's capital, Ujungpandang; Johnny Lumintang on August 20 in Jayapura, Irian Jaya; and Fudhoyono on August 23 in Palembang, South Sumatera.

He said in a press briefing that Sulatin, Duniya and Karyono will be appointed senior officers at Armed Forces (ABRI) headquarters while waiting for their new assignments.

The Wirabuana military command oversees four provinces in Sulawesi, Trikora supervises Irian Jaya and Maluku, while Sriwijaya military command is responsible for South Sumatera, Lampung, Bengkulu and Jambi.

Robik also said that Brig. Gen. Safrie Sjamsudin, currently chief of staff of the Jakarta garrison, has been appointed to replace Yudhoyono as chief of staff of the Jakarta military command. In addition, Col. Suadi Atma of the Tanjungpura military command will replace Lumintang as chief of staff of the Trikora military command.

Agum Gumelar was born in Tasikmalaya, West Java, in 1945. He graduated from the military academy in 1968 and was immediately posted as platoon chief at the Siliwangi military command for a year.

Agum developed his military career during his assignment in the Army's Special Force Command from 1971 to 1993. Among the positions he held during his assignment in the red-beret force were deputy chief of Group Four (1985), deputy assistant and assistant dealing with intelligence (1986-88) and special forces chief (1992-93).

Johny Lumintang was born in Manado, North Sulawesi in 1947. He completed his military education in 1970. Between 1978 and 1995, he was assigned to the Jakarta military command and the Army Strategic Reserves Command. He was named chief of the strategic command's air defense brigade in 1990-92 and chief of the command's first division in 1993 and an assistant to the command chief in 1995.

Lumintang, who is married and has three children, was also former chief of the East Timor military district in 1992-93. He was appointed chief of staff of the Trikora military command in January 1996.

Bambang Yudhoyono was widely known as a military intellectual during his assignments as a trainer in the Army Strategic Reserves Command and Army's Special Force Command between 1974 and 1981, and at the School for Army Command and Center for Army Infantry in Bandung, West Java in 1982-85.

Born in Pacitan, East Java in 1949 and graduated from the Military Academy in 1973, Yudhoyono was chief of the infantry battalion of the Udayana military command (1986-88) and chief of the Yogyakarta military district between 1992-93.

After leaving the special forces, he was entrusted to lead Indonesia's battalion assigned as a peacekeeping force under the United Nations in Bosnia-Herzegovina in 1995.

Yudhoyono is widely viewed as one of three rising stars among Army senior officers. The other two are Let. Gen. Wiranto, strategic command chief and Brig. Gen. Prabowo Subianto, commander of Army Special Forces.

Robik also said that ABRI will hold a joint military exercise in September on the Natuna Islands in China Sea, deploying over 9,000 personnel and hundred of war planes and ships from the Army, Navy, Air Force and National Police.

The joint exercise will start September 9 and last for 10 days. It will be supervised by strategic command chief Gen. Wiranto.

Indonesia: Military Officer on Abduction by Irian Jaya GPK

BK1608131196 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 16 Aug 96

[FBIS Translated Text] The Trikora Eighth Regional Military Command is now handling the abduction of 13 employees of the Kamundan Raya Co. Ltd. by Irian Jaya GPK [security disturbance movement] members in Minika subdistrict. Brigadier General Amir Syarifudin, chief of ABRI [Armed Forces of the Republic of Indonesia] briefed reporters on the abduction of the employees of the Jayanti Group affiliate company by the GPK led by [Sadil Yogi] in Jakarta this evening.

[Begin Syarifudin recording] At about 2030 local time on 14 August, about 30 employees were gathering at the company office when they were attacked by a group of about 50 men, who were armed with old rifles like Mausers and traditional weapons. All the employees were then forced to assemble and told to put on their clothes. They were robbed of their belongings and 13 of them were taken hostage; they consisted of 12 men and one woman. [end recording]

The names of the 13 employees taken hostage are Sungkono, Hanafi, Maksum, Suyono, Makrof, Didit, Wiyono, Suhadi, Laharman, Dumaji, Wiji, Maskur, Maryana, and Wiwin, a 27-year-old woman. [14 as heard].

Indonesia: Military Probes Report of Irian Jaya Kidnapping

BK1608122096 Hong Kong AFP in English 1141 GMT 16 Aug 96

[FBIS Transcribed Text] Jakarta, Aug 16 (AFP) — A group of 13 Indonesians have been kidnapped by armed men in the jungles of Irian Jaya, military spokesman Brigadier General Amir Syarifudin said Friday.

Syarifudin told a press conference that the Indonesians had been abducted on Wednesday by a group of 50 men

from the base camp of a logging company in the eastern part of Irian Jaya.

"The military is now pursuing them," Syarifudin said, adding that the abductors had looted the camp first.

The hostages worked for logging company PT Kamundan Raya, a subsidiary of the Jayanti timber group, he said.

Meanwhile the Antara news agency, without giving a source, said that 17 people had been abducted from the camp, some 60 kilometres (37 miles) north of Timika, a town near the huge gold and copper mine operated by a subsidiary of US mining giant Freeport MacMoran.

The kidnappers were armed with three firearms, machetes, spears and bows and arrows, Antara said.

The group, allegedly led by a man identified as M. Yogi alias Tadius Yogi, released three of the hostages the following day to carry a letter to the authorities.

It quoted military sources as saying that the letter demanded that any effort to release the hostages should be made through Tom Beanal, a local leader living in Timika.

Antara said that the three released hostages had to walk for about 40 kilometres (25 miles) to the site of their release.

Sources here said that the hostages were taken by a group from the Yogi tribe and ransom had been demanded. No details were available on the sum.

The abductors also demanded a halt to the logging of the local forests, they added.

Members of the pro-independence group the Free Papua Movement (OPM) in January kidnapped 26 people, including seven foreigners, in a jungle area some 200 kilometres (128 miles) northeast of Timika.

They released one foreigner and 14 of the Indonesian hostages. The six remaining foreigners and three Indonesians escaped in May following a military operation.

Two Indonesian hostages were killed by the rebels, the military said.

A French geologist and his Indonesian colleague, who were prospecting in the Paniai district south of the Cendrawasih bay in the northern coast of Irian Jaya, were briefly abducted a group claiming to belong to the OPM in February.

The Indonesian military said they were both freed the following day.

The OPM has been fighting for a separate state in Irian Jaya, formerly the Dutch colony of Western Guinea which became Indonesia's easternmost province in the 1960s.

Indonesia: Eight East Timorese Seek Refuge at French Embassy

*BK1608120896 Hong Kong AFP in English
0938 GMT 16 Aug 96*

[FBIS Transcribed Text] Jakarta, Aug 16 (AFP) — Eight youths from the former Portuguese enclave of East Timor sought refuge in the French Embassy here Friday by climbing over the compound fence, a witness said.

The eight scaled the embassy fence here at about 1:00 p.m. (0600 GMT), said the witness, who declined to be named.

Another witness said that they entered the embassy during a brief but strong tropical downpour and an AFP reporter on site said that two soldiers arrived on a motorcycle in front of the compound about an hour later.

The embassy would not comment and an official at the Foreign Ministry said he was not aware of the incident.

The ministry has said in past cases of East Timorese demanding to leave the country that they were free to do so.

"We are aware of the problem and have been contacted by the French Embassy," said Wahyu Sri Endah, spokesman of the Jakarta office of the International Committee of the Red Cross (ICRC.)

The ICRC has assisted the departure to Portugal of all East Timorese who have sought refuge at foreign missions here in the past few years.

A total of 76 East Timorese have sought refuge in foreign missions since September 1995 and left for Portugal.

Endah said that the ICRC had also contacted several concerned parties but she did not name them.

She said that the Indonesian Government has yet to take a decision on the case.

Friday's incident was the fourth for the French Embassy this year, and the sixth instance of East Timorese entering foreign missions this year.

In all, 11 East Timorese have left for Portugal this year after seeking sanctuary in the Australian, New Zealand, Polish and French Embassies.

Nine others who entered the Australian Embassy in February were denied asylum in Australia, and all gradually left the compound.

The former Portuguese colony of East Timor was invaded by Indonesia in 1975 and annexed the following year.

The United Nations still recognizes Lisbon as the administrator of East Timor.

Philippines

Philippines Police Confiscate Bomb-Making Chemicals in Zamboanga

BK1608012696 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 2230 GMT 15 Aug 96

[FBIS Translated Text] Fifteen sacks of chemicals used for bomb-making and solid rocket propellers were confiscated by the authorities in a bus terminal in Diwan, Zamboanga City last Wednesday night [14 August]. According to reporter Vic Alvarez, the sacks contain ammonium nitrate crystals.

The police, lead by Inspector Allan Lazaro, discovered the explosives after receiving a call that a big shipment of chemicals will be delivered to Zamboanga del Sur this Sunday. The police believes that the chemicals are part of the arsenal used by terrorists in 13 attacks that took place between March and April. Meanwhile, the police and military troops have been placed under red alert in Zamboanga City. General Victor Garcia, chief of Community Relations Service, said that they are closely monitoring three groups that might disturb the coming ARMM [Autonomous Region for Muslim Mindanao] elections.

[Begin Garcia recording, in English] Nothing so far, actually, the way we feel it. They have been lying low and watching on the sides, you know, because they know that if they create any trouble, they are going to be stopped. [end recording]

Philippines: APEC Foundation Gets P80 Million New Pledges

BK1608064696 *Manila BUSINESS WORLD*
in English 16 Aug 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] The business community pledged an additional amount totalling PhP80 million (Philippine Pesos) [\$3 million] to the APEC Philippines Foundation, the private sector arm which organizes and coordinates the private sector's participation in Asia-Pacific Economic Cooperation (APEC).

President Ramos yesterday hosted a breakfast meeting with the leaders of the business sector in Malacanang. He described the business sector's interest in APEC as "very positive."

Malacanang is also firming up other groups' support for APEC and will meet with the heads of government-owned and -controlled corporations (GOCCs) late this month to see how they can contribute to the project.

The Makati Business Club, Management Association of the Philippines and Financial Executives pledged PhP40 million, while the Philippine Chamber of Commerce and Industry, Federation of Philippine Industries, Employers Confederation of the Philippines and Philexport committed PhP10 million. Another group, the Bankers Association of the Philippines and the Philippine Stock Exchange pledged PhP30 million.

The amount brings to PhP150 million the total pledges made by the business sector in support for the preparation of the APEC leaders' meeting.

Taipans [subhead]

Last week, the Filipino-Chinese taipans, through their Asia's Emerging Dragon Corp., pledged PhP50 million while the Filipino-Chinese Chambers of Commerce and Industry committed PhP15 million.

Plastics king William Gatchalian also pledged PhP5 million. The contributions to the foundation are exempted from paying any taxes, a move initiated by the government to encourage the private sector to infuse more money for APEC activities here.

Mr. Ramos clarified, however, that the government is not getting a single centavo from these contributions to augment its meager budget of PhP387 million in hosting the senior officials, ministerial and leaders meetings this year.

"Their (private sector) contributions go to the private sector and the foundation, not to the government," Mr. Ramos told Palace reporters in an ambush interview.

Among those who attended the meeting were Philippine Long Distance Telephone Co.'s (PLDT) Antonio Cojuangco, San Miguel Corp.'s Andres Soriano III, Federico Pascual of Allied Bank and the Philippine Chamber of Commerce and Industry, Katrina Ponce Enrile of the JAKA Group, Elena Lim of Solid Corp., and Eugenio Lopez, Jr. of Benpres Holdings.

Other business enterprises have also pledged individual donations to APEC. These include PLDT, San Miguel Corp., and the Tan Yu Group. Entrepreneur Jose Alvarez donated the free use of 100 vans during the APEC

leaders meeting in November in the Subic Freeport Zone.

In briefing the business sector on the ongoing preparations for the forthcoming APEC meetings, Bangko Sentral ng Pilipinas (Central Bank of the Philippines) Governor Gabriel Singson said his agency is spending more than PhP500 million to upgrade and turn the Philippine International Convention Center, site of the two-day APEC ministerial meeting, into a world-class facility.

On Track [subhead]

APEC national organizing committee director-general Lisandro Abadia assured the business community that security preparations are "on track."

The government is hoping to get the business community become more involved in the APEC process by hosting a dialogue session among the business leaders in the region and the APEC leaders prior to the summit on November 25 in Subic.

At the same time, it has given its support for the business community to convene a business conference in Manila among the chief executive officers of large companies, as well small- and medium- size enterprises (SMEs), in the APEC region.

Their inputs are expected to be forwarded to the APEC leaders to make the grouping's economic agenda attuned to the business sector's needs.

APEC is the world's first post-Cold War regional organization that is devoted to trade and investment liberalization. It makes up more than 40% of the world's gross national product and total trade.

The group is composed of Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Thailand

Thailand: Editorial Views Defection of Khmer Rouge Guerrillas

BK1608041496 Bangkok THE NATION in English
16 Aug 96 p A4

[Editorial: "KR Defections Need to be Viewed with Caution"]

[FBIS Transcribed Text] It's still uncertain how many Khmer Rouge [KR] guerrillas have defected and joined the Cambodian government over the past week. Over the weekend, Cambodia's Co-Premier Hun Sen claimed

some 4,000 guerrillas, about 70 per cent of the guerrilla force in the northwest, had defected.

The Cambodian government now, however, has conceded that the number of defections could be far less. Nevertheless, talks between the breakaway faction and government military personnel could signal the death knell for the hardline Khmer Rouge.

Though there is current confusion over the number of defections, with the Phnom Penh government pulling up the figures and the Khmer Rouge pushing them down, the open split, however, should be focused upon and given prominence.

The number of defections, on the other hand, is important too because any numbers above 100 of well-armed and well-trained Khmer Rouge regulars defecting to the government is an important gain for Phnom Penh and a terrible loss to the guerrillas, who have had not much success in recruiting soldiers over the past few years.

A week ago, Hun Sen announced the defection of commanders Sok Preap and Mit Chhien—of Khmer Rouge Divisions 450 and 415—who control the military stronghold of Phnum Malai and the guerrillas' economic base of Pailin. Recent news agency reports, however, indicate otherwise.

The two commanders have yet to defect, though they have been making statements that they're talking to the government. It's clear that Hun Sen is trying a pre-emptive strike.

There's no way Sok Preap and Mit Chhien will be able to go back to the Khmer Rouge and are probably negotiating with Hun Sen for some sort of security and financial inducement to come out of their bases.

It's yet to be seen whether the Khmer Rouge hardliners will mount any kind of military attack on Phnum Malai or Pailin to displace the supporters of Sok Preap and Mit Chhien. The hardliners themselves might be wary that if they attacked their backsliding comrades, there might be further defections from the ranks.

The writing on the wall is now clear. The Khmer Rouge cadres who have threatened to leave will do so and there is little the hardline faction can do to make them stay. The Khmer Rouge now will be left with a more reduced and perhaps "purer" following which will pose a reduced threat to the Cambodian government.

The breakaway group of the Khmer Rouge is calling itself the "Democracy and Peace" faction and seeks legitimacy for itself through political power. The faction intends to draw more Khmer Rouge guerrillas out to increase their own strength but there is little likelihood

that it will be an alternative party. The Cambodian government certainly isn't too strong on the concept of a pluralism and definitely will not welcome the Khmer Rouge as an independent force inside their administration.

Certain reports indicate that Ieng Sary, righthand man of the notorious and brutal Pol Pot, is leading the breakaway faction. Those reports, however, can be dismissed.

Ieng Sary is not the leader of any dissident group within the Khmer Rouge, but he is lending his support to guerrilla commanders Sok Preap and Mit Chhien. He's already left the country and is believed to be in Thailand from where he is negotiating for some sort of guarantee for his personal safety in order to leave the Khmer Rouge.

Between 1975 to 1979, though Ieng Sary was Cambodia's deputy prime minister, his real job in the Khmer Rouge regime was minister in charge of foreign affairs. As foreign minister he was skillful in diplomatic terms, very brutal with his associates and arrogant in personal relations.

Ieng Sary instigated all the purges in the party and presided over the killing fields regime. He is one of the people condemned to death by the Vietnamese-backed Heng Samrin government that ousted the Khmer Rouge in 1979.

There is a strong possibility that Ieng Sary is seeking some kind of amnesty from the death sentence passed on him by the former Heng Samrin government. In the midst of these plea bargains with Hun Sen, he is also trying to put forward the notion that if the Khmer Rouge is removed as a threat, the current bloodshed in Cambodia will end. Thus, this could compensate for his previous crimes against the Cambodian people. Also, it cannot be ruled out that Ieng Sary is using his diplomatic skills to negotiate for a safe passage to China (the former backers of the Khmer Rouge) where he wants to seek political asylum, bearing in mind that he has been accused of embezzling huge amounts of Khmer Rouge funds.

All in all, the international community has to be cautious over these moves by the Khmer Rouge defectors. There is a realisation within the Khmer Rouge that an armed struggle is no longer valid in the present Cambodia. Nevertheless, the guerrillas want political power and the obvious way of going about it is to infiltrate mainstream politics.

Under the guise of a larger political entity, the guerrillas can be more dangerous and a bigger headache than in their present form.

Thailand: Minister Hopes To End Aviation Dispute With Australia

BK1608073196 Bangkok BANGKOK POST
(BUSINESS Supplement) in English 16 Aug 96 p 2

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] Thailand aims to find a solution to aviation disagreements with Australia by the end of the year, the Foreign Minister said yesterday.

If a deal can be done, tourism between the two countries can be promoted, Amnuai Wirawan said after a meeting with Australian Deputy PM [Prime Minister] and Trade Minister Tim Fischer.

Mr. Amnuai said that if the two countries would negotiate with mutual benefits in mind, the issue could be resolved soon.

"Australia wants to fly through Thailand in order to boost tourism, it should give equal aviation rights to Bangkok," he said.

Thailand currently has 15 flights to Australia. The latter receives 22 flights.

The details will be worked out by the Transport Ministry and Thai Airways soon, the minister said.

Bangkok will host the Thailand-Australia Joint Trade Committee meeting on October 21-22 under the co-chairmanship of Mr. Amnuai and Mr. Fischer.

Discussions are expected to cover exports including protecting the agricultural goods market in the World Trade Organisation.

The Australian Deputy PM, who also plans to visit Surin and Khon Kaen, expressed concern that Thailand has increased taxes for wine imports while Australia is promoting wine exports.

Mr. Amnuai said Thailand was not discriminating with the additional tax, since Thai producers would also have to pay more for tax.

The Australian Deputy PM agreed in principle to cooperate with other countries along the Mekong River.

Thailand: Foreign Ministry Reviews ASEAN Role in Mekong

BK1608071896 Bangkok THAILAND TIMES
in English 16 Aug 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — The involvement of the Association of Southeast Asian Nations (ASEAN) in the Mekong river basin development plan would

maximize current financial support instead of having to restructure the existing fund, a senior Thai official said.

The chief of the Foreign Ministry's Economic Department Kopsak Chutikun yesterday said ASEAN's Mekong development program should be a catalyst to evaluate the existing development projects in the Mekong river basin.

"The involvement of ASEAN in the Mekong development plan must be enlarged," said Kopsak, after a meeting to review Thailand's development strategy and the Mekong river basin development project.

"Most of the (Mekong river basin development) projects are ongoing. ASEAN hasn't come up with any new ones," he said.

He said each part of any development should integrated into the sub-region development projects, adding that some projects are the same.

Kopsak said Foreign Minister Amnuai Wirawan proposed that ASEAN members should spend a percentage of each countries' budget to establish the Mekong Development Fund.

The United Nations Development Program is committed to finance various projects to the tune of between one and two million dollars.

Thailand: Banhan Delivers Statement on National Administration

BK1508153496 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 15 Aug 96

[*"Special Announcement" issued on 15 August by Prime Minister Banhan Sinlapa-acha — recorded*]

[*FBIS Translated Text*] Beloved Thai citizens, as made known in news reports, there has been a change in the coalition government as the Phalang Tham Party, one of the seven coalition parties, has decided to change its position from that of national administration in the Cabinet to the legislative duty only. I, the leader of the government, and the other coalition parties respect the decision of the Phalang Tham Party and its members. However, I cannot help feel regret because the Phalang Tham Party and the other six coalition parties have administered the country smoothly together for more than a year in accordance with a joint agreement on the formation of the government signed in July 1995, which was later ratified in mid-1996.

The government is still committed to dealing with many tasks. I had wanted to see all the coalition parties carry out their responsibilities throughout the year to complete these tasks successfully. These tasks include the national budget, which the seven coalition parties jointly mapped

out and proposed to parliament; the amending of Article 211 of the Constitution, which will result in political reform, as all the seven coalition parties have expressed their intention to make it an essential factor for national development; as well as the joint efforts needed to answer all the questions that will be raised by the opposition in the no-confidence debate. We worked together, made decisions together, and approved together various issues in the national administration; therefore, we should together give explanations to the public. But, as there has been a change regarding the Phalang Tham Party, I am therefore very sorry that the remaining six parties will have to give all the explanations without the participation of the Phalang Tham Party.

Anyway, I, as leader of the Government, would like to confirm on behalf of all the members of parliament from the six coalition parties — the New Aspiration Party, the Social Action Party, the Prachakon Thai Party, the Nam Thai Party, the Muan Chon Party, and the Chat Thai Party — which hold a total of 209 seats in the House of Representatives, that we are determined to continue the national administration with solidarity in accordance with the existing joint agreement and with a firm intention to push for the passage of the national budget in the final readings in parliament. This is aimed at constructively contributing to the administration of the country without hindrance. We will sincerely uphold the policy of political reform. We all will push for a passage of the draft bill amending Article 211 of the Constitution in parliament following the procedures and manners most beneficial to the Thai people.

I would like to confirm to all the Thai people that, with the present total of 209 supporting votes in the House of Representatives, and with the determination to further carry out the said tasks smoothly, I see no necessity to dissolve parliament at present. I am also determined to explain all the issues that will be raised by the opposition on the national administration under my leadership. Therefore, for now there is no need to dissolve the parliament at all. I would like to affirm to all the Thai people that the remaining six parties in the coalition government with a total of 209 seats will jointly administer the country to enable our nation, Thailand, to progress to the same level as civilized countries, engaging our full intellect, ability, and integrity, for the greatest benefit of all the Thai people.

The government desires the country's economic stability, peace and order, and the continuity of the parliamentary democratic system, for which it is necessary to promulgate laws in compliance with the Constitution and to respond to the need for political reform. The government wishes to get cooperation from all sides. The

government is willing to hear advice and criticism made with good intentions for the country. The government also hopes to receive fine advice from the academic field and also hopes that the mass media will present news and information that are useful for the national administration by criticizing what is unsuitable and giving advice on what is constructive for our country. The people will then be assured of the stability of the country, be it in the economic, political, or social areas. It will help boost the morale of the government agency officials, who work energetically for the country. At the same time, I also hope that the opposition will perform their duties in checking the government's national administration effectively, also with good intentions for the country.

Thailand: Editorial Advises Banhan To Make Decision

*BK1608074596 Bangkok THAILAND TIMES
in English 16 Aug 96 p A4*

[Editorial: "Will Common Sense Win Over Stubbornness?"]

[FBIS Transcribed Text] It is scandalous, it's immoral, it's illegitimate and has no rational justification for the Banhan administration to continue governance with all the corruption and scandal to its credit.

The speculation of an imminent fall of the Banhan government, the call for the prime minister to resign, shifting of factional allegiance within political parties and collecting signatures from members of the House are all common features in the Thai political arena to make the best out of a bad time.

The ongoing political drama has exposed the deep rooted corrupt practices of political leaders in what should otherwise have been an open, transparent and simple business transaction.

In the final outcome of the case of the three bank licensees, the fable, "fox and the sour grapes," comes to mind. Sour grapes are apparent when one considers the uproar made by Justice Minister Chaloem Yubamrung who had silently backed one of the aspirants for a banking license, without avail. In addition, according to reports Gen. Chawalit Yongchaiyut had a nominee for a license too that failed to get the nod of the panel commissioned to oversee the bids.

The cry of corruption and yelling only confirms the action was a natural reaction that gives impetus to the age old fable "the grapes are sour" by those who failed to influence the proceedings at the Finance Ministry is understandable.

But the catastrophe triggered by the accusation without substantial evidence by Chaloem has thrown the Banhan government into a dilemma. The ideal climate has been set for the Phalang Tham Party (PDP) to get out of the corruption plagued Chat Thai Party (CTP) led government, breaking the prevailing political impasse by their decision once again to withdraw the PDP's support for the Banhan government.

The ongoing political dilemma, the economic slump and the behavior of non-corrupt honorable politicians were all similar to the two previous governments. The bickering and wrangling over Cabinet seats immediately vacated by the withdrawal of support by a coalition partner has been a common and familiar feature in the case of the Banhan administration. The two notoriously corrupt governments of the then Chat Thai Party led Chatchai Chunhawan and the Democrat led Chuan Likphai administrations were no better than the present one.

The approaches to important national issues or infrastructure and commercial projects had been the same. So much so that the Chatchai administration was titled the "Buffet Cabinet," meaning every member was free to take as much as one could.

Whether it was during the administrations of Chatchai Chunhawan, Chuan Likphai or Banhan Sinlapa-acha, the political game plan has changed very little in between governments. Obviously, there has been little or no change at all because in the Thai political drama the actors are all the same familiar old faces only that some have changed colors like the chameleon from time to time for personal survival and aggrandizement.

In a similar political and economic dilemma, during the late '80s, Gen Chatchai encountered similarly as with the current political impasse. It had all the markings of the two subsequent administrations set up by Chuan and Banhan.

The difference being in one case the government which refused to heed public demand for it to resign from office, because of rampant corruption and the "Buffet Cabinet" catered in the open, the military took upon itself to force its way with the gun to take away power from Chatchai whose Cabinet members were accused of corruption and being unusually rich. All assets were frozen. A Counter Corruption Commission was given the task of investigating the charges. What happened to the charges after the Chuan and Banhan administrations took office is now part of judicial history.

Subsequently, after the short but clean and transparent administration by the famous "Accidental Prime Minister," the Democrat led Chuan Likphai government was

elected to office. The behavioral pattern of parliamentarians were not different. Soon the Chuan government and its Cabinet members were engulfed with the same social disease — corruption — which the Democrats had pledged to wipe out if elected, but the opposite was true.

Again, Banhan is comparable to Chuan when the opposition's no-confidence motion directed at the premier who persistently refuses to heed public opinion to resign is considered. That was when the PDP took a similar stand as in the case of Banhan and pulled out of the Chuan coalition which was then infested with several scandals as is the Banhan administration. The issue forced Chuan to dissolve the house instead of facing certain defeat in parliament over the no-confidence debate.

Thus, if the pattern of behavior in Thai politics are any indication, Banhan is left with just two options. Either to resign or dissolve parliament. It is highly unlikely that Banhan will step down and let another from amongst the coalition or opposition leaders replace him at the helm. Nevertheless, the writing is on the wall and it is a matter of time when common sense would prevail and the all important decision is made by the prime minister whether to cling to power at any cost or to get out honorably when the going is good.

Thailand: Papers Discuss Political Options for Prime Minister

BK160811596

[FBIS Report] Two Thai-language daily newspapers, MATICHON and KRUNGTHEP THURAKIT, on 16 August carry editorials about the possible options that Prime Minister Banhan Sinlapa-acha has following the Phalang Tham Party's withdrawal from his seven-party government coalition.

MATICHON's 800-word editorial on page 20, entitled: "Don't Dissolve the House; Resign," lists numeral economic and political problems plaguing the Banhan Government, the most recent being the withdrawal of the Phalang Tham Party from his coalition. Despite all the confusion, Banhan is trying hard to keep his government afloat, saying he has to fulfill some major tasks such as the passage of the budget bill and the amendment to Article 211 of the Constitution by parliament as well as the censure debate. "Political analysts have a headache trying to figure out which way Prime Minister Banhan is going to take. Yet, there are limited choices for him — either to hold on to the premiership, resign, or dissolve the House of Representatives and hold another general election. There is no use talking about another cabinet reshuffle

because no political party will volunteer to join the present coalition as that would be political suicide for it," the editorial says.

If Banhan chooses to dissolve the House, he risks being condemned by everyone in the Chat Thai Party and that might end his political career. "The best option for Banhan is to announce his resignation and let political parties choose a new prime minister to form a government," the editorial says, concluding that the most urgent task facing the new prime minister is to revive the national economy, especially by giving confidence to foreign investors. The paper says: "It is damaging to the country if Banhan stubbornly remains as prime minister."

KRUNGTHEP THURAKIT's 600-word editorial on page 2, entitled "Resignation Is Not a Solution to the Problem," has a different opinion. It says that Banhan's claim that he wants to remain in office to see through the passage of the budget bill and the constitutional amendment is only a lame excuse because he never paid serious attention to those issues. It looks as if the coalition partners are planning to use the forthcoming no-confidence debate to judge the prime minister and vote, freely and in light of his performance whether or not to support Banhan as prime minister. If Banhan is voted down, he will have to either reshuffle the cabinet or resign and let other party leaders do the job of forming a new government.

"In our opinion, Banhan's resignation to let other parties form a new government would not be in the public interest. It is likely that either the Chat Phatthana Party of General Chatchai Chunhawan, with 54 seats in the parliament, or the New Aspiration Party of General Chawalit Yongchaiyut, with 57 seats, would be given the task of forming a new coalition. Even so, neither Chatchai or Chawalit, if they were prime minister controlling the majority vote in the parliament, would be able to keep the coalition of small parties united and problems would crop up again, especially those caused by the factionalism in the Chat Thai Party," the editorial says.

Politically speaking, Banhan's resignation would not be a solution to the problem. A change of prime minister and reliance on a new coalition would not benefit the national economy; we would see the same face of corruption in cabinet ministers. The best option is for the prime minister to dissolve the House and let the people vote again. If Banhan wants to make amends for his past mistakes, he should opt for this solution, which will also solve the problem of a crisis of confidence in the government.

Thailand: Article Views Banhan's Options After Party Pullout

BK1608062496 Bangkok BANGKOK POST
in English 16 Aug 96 p 10

[Article by Post Reporters: "Banhan Must Make a Decision"]

[FBIS Transcribed Text] Phaiang Tham's [PDP] withdrawal from the Government reflects the poor state of the Banhan administration and does not augur well for its future.

The Opposition has already announced it will file a no-confidence motion against Banhan Sinlapa-acha on Monday, which coincidentally happens to be the Premier's birthday. The motion singles out Mr. Banhan further isolating him at a time when he has few allies left.

Mr. Banhan's credibility has deteriorated quickly since he forced the early closure of the censure debate during the last House session to escape being grilled. Given the fallout of that action, he has vowed a similar course will not be taken this time round. But he said this when the Government still had 232 coalition seats. Now the PDP has left he has only 209 seats, a mere 27 more than the Opposition.

Given the infighting in his own Chat Thai Party, this is indeed a dangerous time for Mr. Banhan.

Already the Opposition has revealed it will censure him over the Rakesh Saxena campaign contribution allegations, the alleged plagiarism of his thesis, the Kockums submarine scandal, and his daughter's sale of land to the Bank of Thailand which she allegedly bought for 29 million baht and sold for 465 million baht.

Mr Banhan is very disappointed with the PDP, particularly its leader Thaksin Chinnawat, because the trust and honour he has shown it over the last year has not been in line with the fact it has only 23 MPs. This so upset the other coalition partners that they pressed him not to accept the PDP back after its ministers resigned prior to the June Bangkok governor election. Mr Banhan ignored them and reappointed the ministers to the Cabinet.

Phalang Tham, to Mr. Banhan, was the only party in his administration with some political credibility as most Bangkok residents distrust the Government.

Mr. Banhan showed uncharacteristic disappointment when Mr Thaksin decided to withdraw abruptly, announcing the remaining six coalition parties would fight on without the PDP.

"If they (the Opposition) think this will force Mr Banhan to resign and allow them to form a new government, they are wrong. He will never resign under this type of pressure by the PDP," said a source close to the Premier.

Senior government sources said Mr. Banhan had now turned his attention to trying to win over New Aspiration Party leader Chawalit Yongchaiyut. Gen. Chawalit, who has been unhappy with the Prime Minister for blocking many of his projects at the Defence Ministry, has shown signs he is moving further and further away from the Banhan administration.

But Mr. Banhan has now reportedly asked Gen. Chawalit to be the Government's "manager" and has entrusted him with heading efforts to attract one of the opposition parties into government. Each of the opposition parties has insisted it will not join the Government unless Mr. Banhan steps down so a totally new administration can be formed.

The Prime Minister cannot feel very comfortable with this situation since he knows full well that Gen. Chawalit, Social Action leader Montri Phongphanit, Nam Thai leader Amnuai Wirawan and Prachakon Thai leader Samak Sunthorawet have all been leaning to the side of Muan Chon leader Chaloeun Yubamrung after his attack on the Prime Minister over the banking licence kickback allegations. The PDP cited these allegations for its decision to withdraw.

Pol. Capt. [Police Captain] Chaloeun challenged the Prime Minister to sack him but Mr. Banhan did not dare in the belief this was a political trap since Gen. Chawalit was believed in full support of the Muan Chon leader. Sacking Pol. Capt. Chaloeun would have risked even worse retributions in the form of further possible blackmail. Though he claims he has 29 pages of documents to prove his allegation that the three banks seeking licences were to pay the Government 750 million baht each in kickbacks, Pol. Capt. Chaloeun did not reveal these during Tuesday's cabinet meeting.

Mr. Banhan had reached a compromise with the Muan Chon leader beforehand by agreeing the Cabinet would not approve the licences. Instead, he handed responsibility to decide the issue to the Finance Ministry and set up a committee to look into the kickback allegation — a move designed to save the face of Pol. Capt. Chaloeun.

At the same time, it also saved the reputation of Finance Minister Bodi Chunnanon, one of Pol. Capt. Chaloeun's targets, when the Cabinet confirmed the ministry had the authority to decide whether to issue the licences without permission from the Cabinet. However, it will now have to wait for the results of the kickback probe.

Phalang Tham had supported the Finance Ministry from the start and the cabinet decision was very middle of the road and unclear about the allegation. There has been no love lost between Pol. Capt. Chaloeam and the PDP and the Prime Minister's yielding to him when ministers in his own party, Piyanat Watcharaphon and Pongphon Adireksan, were calling for some action, gave the PDP the opportunity to desert the leaking vessel.

But one PDP minister insisted: "We didn't want to be the hero this time. It was just the last straw in causing us to lose all patience with this government."

Asked why the PDP statement was rather unclear about its reason for withdrawal, the source said the party leadership feared that making its reasons too clear would put Mr. Banhan on the spot given that the allegations about irregularities concerning him and members of his family had not been cleared by the Prime Minister.

"Our feeling about the Premier and the Government could not be reflected clearly in our withdrawal statement because it would place the administration in an even worse position," he said.

Phalang Tham also did not want to be seen as trying to make itself look good at the expense of its partners — an allegation often levelled against it by Pol. Capt. Chaloeam to great effect.

With his own party split into numerous factions and being unable to find a replacement for the PDP from among the opposition parties, Mr. Banhan is in a very precarious position. He is being forced to rely on his main rival for the premiership, Gen. Chawalit, to lengthen the life of his government.

Gen. Chawalit and Nam Thai leader Amnuai, who must wait their time before bidding farewell, have said they have no reason not to support the Government at this time. But they have hinted what is in store when they said the tense political situation must be reassessed after the no-confidence motion expected to be heard early next month.

Mr. Banhan has said he will neither resign nor dissolve Parliament, but he may find in the end he will have to do one or the other if more of his partners desert him.

However, Mr. Banhan is unlikely to choose resignation as this would almost certainly mean the loss of the premiership. A better alternative is to try and close ranks as best he can by agreeing to a major cabinet reshuffle and giving people both in his Chat Thai Party and among his coalition partners more of what they want — that is, the interior and economic ministries, especially finance.

The life of the coalition could be extended if this can be done but chances are not good given how far things have deteriorated. Gen. Chawalit and Mr. Amnuai must be thinking hard about why they should prop up the Government and have their reputations dragged down further with Mr. Banhan.

So in the end a dissolution of Parliament is the most likely outcome. It just depends how long the Premier can drag things on, and it should not be very long.

Thailand: Chat Thai Party's Thoet Thai Faction Threatens Rebellion

*BK1608034696 Bangkok THE NATION in English
16 Aug 96 pp A1, A6*

[Unattributed report]

[FBIS Transcribed Excerpt] The Thoet Thai faction, its bargaining power boosted by the Phalang Tham Party's [PDP] pull-out, yesterday demanded key Cabinet posts for leading group members including Newin Chitchop, amid other signs of coalition infighting for the ministerial portfolios formerly held by the PDP.

Braving the brewing political storms around him, Prime Minister Banhan Sinlapa-acha went on TV last night to reaffirm his intention to carry on governing with the now six-party coalition and dismiss speculation about an impending House dissolution.

"With our 209 votes in the House of Representatives and my determination to continue the government's tasks, I see no need to dissolve the House at the moment," Banhan said in a statement recorded by TV Channel 9 and broadcast by all TV stations after the evening news.

The speech mentioned, "with regret", the PDP pull-out, but did not discuss the possible causes of the defection, nor did it address the party's claims that the withdrawal was warranted by the prime minister's failure to effectively counter Rakesh Saxena's "political contributions" charge as well as Justice Minister Chaloeam Yubamrung's new banking licences bribery allegation.

The PDP's departure makes Banhan extremely vulnerable to assaults by Thoet Thai. And the faction moved quickly yesterday, demanding back its Cabinet quota and openly reminding the prime minister that a revolt of just 13 MPs would be enough to overthrow the government.

"Actually, if you count out the House speaker and whoever is censured by the opposition, it would only take 11 votes," Buri Ram MP Songsak Thongsi said. "These 11 votes should be regarded as a force to be reckoned with."

University Affairs Minister Bunchu Trithong, a key Thoe Thai member, confirmed that the group wants Banhan to relinquish the interior portfolio and conduct a Cabinet reshuffle to refill the faction's quota. Newin and Phairot Suwannachawi were removed as deputy finance minister and deputy commerce minister respectively in a reshuffle following the May no-confidence debate, although they were not censured by the opposition.

"If the prime minister doesn't do it, it may soon be too late because the political situation is changing all the time," Bunchu warned.

To stay politically alive, Banhan now ironically needs the support of the very group that has often been blamed for his government's image problem and instability. But his dilemma is that by once again embracing the notorious Thoe Thai group, he would certainly alienate several allies and trigger public outrage.

The prime minister was seen yesterday sitting close to a smiling Newin during dinner at Parliament. Sources claimed the latter had apparently won Banhan's pledge to include him in a Cabinet reshuffle.

A group of nine MPs, mostly from the Thoe Thai faction, met at Newin's house yesterday morning, at which time they asked Newin to be their leader in guiding their "political decisions".

"The group believes that since a Cabinet reshuffle is inevitable, Buri Ram MPs in the Thoe Thai faction should be given a Cabinet seat, and that seat should go to our best man, Newin," Songsak said.

Deputy Interior Minister and a Thoe Thai member Anuson Wongwan said the faction already submitted Banhan the names of three candidates who should be included in the new Cabinet. Sources said the list included Newin, who wanted to be deputy interior minister, former deputy interior minister Suchat Tancharoen who is aspiring to become the industry minister.

Embattled Banhan yesterday sought a private meeting with PDP leader Thaksin Chinnawat at Parliament and asked him to return to the coalition, PDP sources said. Thaksin reportedly turned him down.

All opposition parties have publicly dismissed the possibility of joining the "sinking" government. Behind the scenes, the Chat Phatthana, Seritham and Solidarity parties were reportedly approached but negotiations bogged down because of their tough preconditions.

Compounding Banhan's trouble, a group of Chat Thai MPs loyal to party secretary-general Sano Thianthong plan to pressure him to resign after the coming parliamentary debate on the charter amendment bill, Sa Kao MP Witthaya Thianthong, Sano's brother, said.

According to Witthaya, the group wants Banhan to hand over the premiership to the party's executive president, Praman Adireksan. Witthaya's previous claims of a similar signature campaign failed to materialise.

Meanwhile, at a New Aspiration Party [NAP] meeting yesterday, members discussed how the PDP Cabinet quota should be shared. They said that while it was reasonable to transfer the PDP's traffic responsibility to the Prachakon Thai Party, the PDP's five Cabinet seats should be given to Chat Thai (2), NAP (2) and Social Action (1).

NAP leader Chawalit Yongchaiyut kept everybody guessing about his future plans by making ambiguous remarks about the upcoming censure debate, during which Banhan will be the prime, or probably only, target.

"I'm fully supportive of the debate because it's the opposition's job to monitor the government. The prime minister told me he is ready to counter the opposition's charges and I hope he can do it," Chawalit said. He and Nam Thai leader Amnuai Wirawan have refrained from making any public commitment on giving Banhan their votes of confidence at the end of the censure.

In another disquieting development for the premier yesterday, seven Chat Thai MPs submitted a letter to Banhan yesterday demanding the removal of Justice Minister Chaloe Yubamrung, whose bank bribery allegation triggered a chain of events culminating in the PDP's withdrawal. [passage omitted]

Thailand: Chainarong's Role in 1992 Event Analyzed

BK1608050696 Bangkok BANGKOK POST
in English 16 Aug 96 p 3

[Report by Watsana Nanuam]

[FBIS Transcribed Text] Army special expert [General] Chainarong Nunphakdi's notoriety is likely to preclude his promotion as army deputy chief.

Gen. Chainarong ordered the suppression of pro-democracy demonstrators in May 1992. He commanded the First Army Region at the time.

A source said Gen. Chainarong would not be able to "grow" in the Army.

Army Chief Pramon Phalasin is reportedly worried that promoting him to an important post like deputy chief might cause public discontent.

But the source said Gen. Chainarong was widely respected as an able commander.

The source said Gen. Pramon had helped negotiate with Supreme Commander Wirot Saengsanit for Gen. Chainarong to be given the key post of chief-of-staff of Supreme Command Headquarters.

That post was likely to go to Supreme Command deputy chief-of-staff Oraphan Watthanawibun at the request of Defence Minister Chawalit Yongchaiyut.

Gen. Chainarong might in the end be given the post of Supreme Command deputy chief-of-staff.

As for the post of army chief to replace Gen. Pramon, who is due to retire at the end of September, the source said there should be no changes in the promotion of Army Deputy Chief Chettha Thanacharo.

The source said Gen. Chettha looked happy after having a brief conversation with Gen. Chawalit at Parliament on Wednesday.

Gen. Chettha is chairman of the Amateur Boxing Association of Thailand.

He accompanied Somluk Khamsing, winner of the country's first Olympic gold medal, to a meeting with the defence minister that day.

"There have been some good signs. Although nothing is certain yet, confidence has risen," the source said.

Thailand: Annual Military Reshuffle Analyzed

BK1508150096 Bangkok ATHIT in Thai 9-15 Aug 96 pp 14-20

[Cover Story: "1996 Military Reshuffle, a New Page in the History of the Three Armed Forces"]

[FBIS Translated Excerpt] There are only six people who have the "power according to the law" to play important roles in preparing the 1996 annual military reshuffle list scheduled to be announced in September. However, the presumption that the new military lineup could be influenced by some "hidden elements" is rather insubstantial. The six persons, who really have the authority to work out the appropriate military lineup are:

1. Navy Commander Admiral Prachet Siridet;
2. Air Force Commander Air Chief Marshal M.R. [royal title] Siriphong Thongyai;
3. Army Commander General Pramon Phalasin;
4. Supreme Commander General Wirot Saengsanit;
5. Defense Minister General Chawalit Yongchaiyut; and
6. Prime Minister Banhan Sinlapa-acha, who is responsible for the submission of list for the royal endorsement and countersign the royal command. [passages omitted]

Army

General Pramon Phalasin, in his capacity as army commander, is supposed to submit the name of a qualified officer who will succeed him after his retirement.

Judging from his past interview statements, many observers believe that he will probably propose Assistant Army Commander General Thawan Sawaengphak as his successor because the two have long established close relations since they worked together in the Operations Department under command of Gen. Suchinda and Gen. Chawalit whose ranks at that time were lieutenant colonel and colonel respectively. In an interview, Gen. Pramon said that the new army commander should be selected from the officers "inside the army" which means there is no chance for either Gen. Mongkhon Amphonphisit or Gen. Wathana Sanphanit to be transferred from the Supreme Command Headquarters to become the new army chief.

The word "insider" used by Gen. Pramon certainly cannot be applied to Deputy Army Commander Gen. Chettha Thanacharo although the latter is the next qualified candidate in line and also an insider because Gen. Pramon frequently said that the qualified candidate for the post should not have too many friends to worry about. Observers believe that "the person who has too many friends" referred to Gen. Chettha Thanacharo because of his popularity and close association with business people and leading figures in all circles. Meanwhile, Gen. Thawan has been keeping low profile. Although he is a graduate of class 7 of the Chulachomklao Royal Military Academy [RCMA], he never associates with the arrogant officers, his classmates, known as the "Young Turks."

In 1995, Gen. Thawan's rank was lieutenant general, the 23d lieutenant general on the military seniority list while Gen. Chettha was listed as the 52d general. However, seniority will not be considered a major factor in influencing the annual reshuffle. Observers believe that Gen. Pramon will choose Gen. Thawan as his successor.

The question now is the reaction of Supreme Commander Gen. Wirot to the proposed appointment of Gen. Thawan as new army commander.

During the past five to six months, local newspapers have been reporting on the bumpy relations between Gen. Chettha and Supreme Commander Gen. Wirot. For this reason, observers do not think that Gen. Wirot will demand any explanation from Gen. Pramon should the latter propose Gen. Thawan instead of Gen. Chettha for the promotion.

The press also frequently reported on the friendly relationship between Gen. Wirot and Military Chief of Staff Gen. Mongkhon Amphonphisit and anticipated that Gen. Wirot might try to reserve the army commander's post for Gen. Mongkhon. If that is the case, Gen. Wirot will have to find good reasons to outsmart Gen. Pramon's determination to appoint an "insider" as the new army commander. It is unlikely that Gen. Wirot will make such an endeavor.

Considering the good relations between Gen. Wirot and Gen. Thawan, it is believed that the former will give the green light to the appointment of the latter as proposed by Gen. Pramon.

As for Gen. Chawalit Yongchaiyut, military analysts of many newspapers believe that he also has a long list of officers he wishes to give the promotion from his hands. He is capable of justifying the promotion of any officers like Gen. Chettha, Gen. Mongkhon, or even Gen. Thawan. It was reported that he even thought of giving the army's top post to Deputy Supreme Commander Gen. Watthana Sanphanit. However, it is unlikely that he will "make the effort" to push for the promotion of his men because he is currently quite busy with solving the internal problems of the Office of the Defense Minister and suppressing a spate of rumors against him during past week or two.

Gen. Chawalit will have to engage in rather tough bargaining sessions and find an "acceptable" explanation for both Supreme Commander Gen. Wirot and Army Commander Gen. Pramon if he wants his man to be selected as new army chief.

Choosing Gen. Chettha as new army commander, Gen. Chawalit must answer questions from both Gen. Pramon and Gen. Wirot. He will have to talk to only Gen. Pramon if he wants the post for Gen. Mongkhon Amphonphisit. However, he cannot take it for granted that he will have the support from Gen. Wirot either. Things will become much easier if he just agrees with the appointment of Gen. Thawan as new army commander because the reshuffle list can sail smoothly into the hands of Prime Minister Banhan.

In the event of an intervention by "Pa" [former prime minister Gen. Prem Tinsulanon], the reshuffle list might be subject to unexpected alteration and the prospects for Gen. Mongkhon and Gen. Chettha might improve. However, Gen. Prem never had any problem with Gen. Thawan during his military career. Gen. Thawan did not take part in the coup attempt against Gen. Prem's government staged by the graduates of the CRMA class 7.

In shorts, Gen. Thawan Sawaengphak might be the black horse in the upcoming annual reshuffle. Under his command, the Army will move forward with steady steps. He will place emphasis on orderliness, efficiency in the administrative work, and discipline among Army personnel.

Both Gen. Chettha Thanacharo and Gen. Thawan Sawaengphak will retire from the military on 1 October 1998. Either one could become the new Army commander.

Navy

Navy Commander Admiral Prachet Siridet is reported to have chosen Assistant Navy Commander Admiral Wichit Chamnankan as his successor. In 1995 Admiral Wichit was listed as the 170th vice admiral and was promoted to his current post this year. His appointment as the new Navy commander must be regarded as the "happy ending" of his military service since he will retire in 1997, with only one year taking care of the Navy.

It is believed that Admiral Prachet will have the green light from Supreme Commander Gen. Wirot Saengsanit if he wants Admiral Wichit as his successor.

However, observers believe that when Gen. Chawalit reviews the reshuffle list with the name of Admiral Wichit as new Navy commander, he will ask "questions." The defense minister heard about the good reputation of another Navy officer from his unofficial adviser, former Navy commander Admiral Praphat Kritsanachan. One officer who is said to have the qualifications to be the new Navy commander is Admiral Surawut Maharom. Admiral Praphat greatly admired his competence when he was assigned to look after the project to purchase frigates from the People's Republic of China. He was a rising star four to five years ago. His promotion to the rank of admiral was very quick. He is considered as one of the most senior officers in the Navy and will be retiring in 1998.

However, Admiral Surawut's advancement in his military career was slowed down following the retirement of former Navy commander Admiral Praphat. In the last reshuffle, he was transferred from the Navy to take the post of deputy defense permanent secretary.

Like Gen. Wirot, who also served in the post of deputy defense permanent secretary before being appointed as supreme commander, Admiral Surawut can also be appointed as the new Navy commander. More importantly, Admiral Surawut also has the full blessing of Defense Minister Gen. Chawalit because he is one of the vanguards fighting for the materialization of the "military communications satellite project."

It will be "quite a tough job" to get things settled before the list is handed to the prime minister, who is expected to have no "particular officer in mind" for the Navy's top post. Regardless of the rumor about Gen. Prem's intervention, the supreme commander, Navy commander, and Defense Minister Gen. Chawalit will probably have to sit down together to justify the promotions for their proposed candidates, if not for bargaining.

Air Force [subhead]

Up to this point, it is anticipated that Air Force Commander Air Chief Marshal [ACM] M.R. Siriphong Thongyai will propose the name of Air Force Chief of Staff ACM Amon Naeomali to Supreme Commander Gen. Wirot for the appointment as new Air Force commander.

There has not been any flaw in relations between Gen. Wirot and ACM M.R. Siriphong although they were rarely seen attending official functions together.

Despite the frequent personal meetings between Gen. Wirot and ACM M.R. Siriphong, the actively working staff of the supreme commander might also propose a senior general like ACM Samat Sosathit, chairman of the Air Force's advisory board, for the appointment as the new Air Force chief. ACM Samat has been reputed for his academic achievements and devotion to his military career. It is necessary for ACM M.R. Siriphong to find some good reasons to support ACM Amon, who is indispensable for the continuity of the procurement of war weapons and equipment for the Air Force.

If Gen. Wirot manages to put aside the suggestion offered by his staff, he will submit the name of ACM Amon for further screening by Gen. Chawalit Yongchaiyut, who is known to have no particular nominee in his mind for the Air Force's top post. However, ACM M.R. Siriphong must explain to Gen. Chawalit how ACM Amon has been involved with the military satellite project and planned the setting up of the war veterans bank and other important tasks to ensure that everyone is satisfied with the new Air Force commander.

Things might change when the list gets to the hands of Prime Minister Banhan Sinlapa-acha if he seeks consultations from "Pa." It was "Pa" who once caught everyone by surprise when he decided to give the post of Air Force commander to ACM Woranat Aphichari, instead of ACM Kaset Rotchananin. He had his own reasons for doing that. No man alive can ever guess what Pa has in his mind.

Supreme Command Headquarters [subhead]

There is no need to make any speculation here. It is quite sure that Gen. Mongkhon Amphonphisit will become the next supreme commander if he is not dragged out from the Supreme Command Headquarters to receive a big award in the Army. Both Gen. Wirot and Gen. Chawalit will not hesitate to give their full support to Gen. Mo?6mZ????m??e Prime Minister Banhan is unlikely to place any stumbling block on Gen. Mongkhon's smooth path to the post of supreme commander.

Three armed forces will be plunged into chaos if Gen. Mongkhon is appointed to become the new Army commander. It requires meticulous efforts to find sufficient reasons to satisfy Gen. Pramon. Meanwhile, Gen. Wirot will have to search for a qualified candidate to succeed him. Gen. Chawalit might propose Gen. Watthana Sanphanit as the new supreme commander. Should Gen. Chettha Thanacharo and Gen. Thawan Sawaengphak be left where they are now or be transferred to the National Security Council or sent to serve in active posts somewhere?

The above hypothesis is rather confusing and turns the annual military reshuffle into a race for power like that of the Police Department.

Gen. Mongkhon can expect full support from everyone. The prime minister was once overheard saying that Gen. Mongkhon, who is concurrently serving as chairman of the Mass Communications Organization of Thailand, has a "bright future." However, if he is to be appointed as new Army commander, all his supporters must find good reasons for this to give to Gen. Pramon and other qualified officers who are also vying for the position.

It should also be noted that if Gen. Mongkhon is to become the new Army commander, he will have to remain in the position for the next five years before his retirement in the year 2000. In such a powerful position, an Army commander can always concurrently serve as acting supreme commander. No Army commander has been transferred to serve as supreme commander.

An Army commander who serves in the position for five years will be able to accumulate sufficient charisma to lead not only the Army but also the whole country. Gen. Mongkhon has been reputed for his competence and popularity in the military and political circles. He was behind the appointment of many politicians who are now in the power at present to the cabinets of former prime minister Gen. Prem Tinsulanon. He is a good coordinator, quick at making decisions in a time of crisis. [passages omitted]

Vietnam

SRV: Australian Deputy Premier Arrives for Official Visit

BK1508151396 Hanoi Voice of Vietnam in English
1000 GMT 15 Aug 96

[FBIS Transcribed Text] Australian Deputy Prime Minister and Minister for Trade Tim Fischer arrived in Hanoi on Thursday for a three-day visit to enhance bilateral relations.

He is scheduled to be received by Party General Secretary Do Muoi and Deputy Prime Minister Phan Van Khai. He will hold talks with Minister of Trade Le Van Triet on economic and commercial relations between the two countries.

Australia is a major foreign investor in Vietnam with 47 projects totalling about \$700 million. Bilateral trade was growing steadily and reached \$300 million last year.

SRV: Foreign Affairs Cadres Study Congress Documents

BK1508145396 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 15 Aug 96

[FBIS Translated Text] During 5-14 August, the Ministry of Foreign Affairs held a conference for cadres of the ministry to study and discuss the implementation plan of the resolution of the Eighth National Party Congress. Conference attendants included core cadres of the Ministry of Foreign Affairs, the Party Central Committee External Affairs Department, the Overseas Party Affairs Department, the Union of Vietnamese Friendship Organizations, the Overseas Vietnamese Committee, and heads of Vietnam's diplomatic missions in foreign countries and international organizations.

Today [14 August] the conference had the honor to receive Comrade Party General Secretary Do Muoi who came to give a speech to the conference. Comrade Nguyen Manh Cam, member of the Party Central Committee Political Bureau and minister for foreign affairs, briefed the comrade general secretary on the results of the study sessions on the documents of the Eighth National Party Congress. He also confirmed the unanimity and absolute loyalty of the contingent of cadres and employees in external affairs to the renovation undertaking as well as to the independent, self-determined, and wide-open external relation policy of the party and state. He asserted the high determination of the conference participants to implement the congress resolution and to contribute to the industrialization and modernization undertaking on the socialist path.

Comrade Party General Secretary Do Muoi complimented the outstanding achievements on the external

relations front in the recent past, which had contributed significantly to the overall success of the country. He stressed that the guiding ideas and major contents of the documents of the Eighth National Party Congress actually highlight the importance of the external relation work in the period to come, as well as the efforts to be made to consolidate the peaceful environment and to create further favorable international conditions for socioeconomic development and for the implementation of the industrialization and modernization undertaking. He reminded the cadres in the external relation sector to study and improve themselves constantly in terms of revolutionary qualities and professional knowledge in order to heighten their competence and be ready for the more heavy duties in the future.

Before that the conference also had the honor to receive Comrade Party Adviser Pham Van Dong who came and spoke to the conference, reminded the external relation cadres of the need to nurture their revolutionary morality and heighten their competence in their profession as well as in foreign languages so that they can be on par with the new demands of the revolution in the new period. The conference also heard some leading officials of ministries, departments, and sectors, who presented the main ideas and contents of the documents of the Eighth National Party Congress in various aspects such as the political, economic, security, national defense, and party building aspects.

SRV: Pham The Duyet Appointed VFFCC Presidium Member

BK1608045996 Hanoi LAO DONG in Vietnamese
10 Aug 96 pp 1, 7

[Report by "TV-QC-DP"]

[FBIS Translated Text] The Presidium of the Vietnam Fatherland Front Central Committee [VFFCC] held its sixth regular conference in Hanoi on 6 and 7 August 1996 to discuss the Front's activities during the first six months of the year and its program of unified action for the last six months of the year aimed at joining with all of the people in a bid to bring the Eighth Party Congress resolution to life. Comrade Tran Van Dang, party Central Committee member and vice chairman and general secretary of the VFFCC, presided over the conference. Attending the conference were: Comrade Phan Van Khai, member of the Political Bureau and deputy prime minister; Political Bureau member Pham The Duyet; former Political Bureau member Vu Oanh; and Presidential Office Director Nguyen Viet Dung.

At the conference, the Front's presidium heard a report on a Political Bureau recommendation for Comrade Pham The Duyet to participate in the VFFCC. The

VFFCC Presidium unanimously approved this recommendation and appointed Comrade Pham The Duyet as a member of the VFFCC Presidium. This decision will be reported to the VFFCC at its next meeting. The presidium solemnly invited Comrade Vu Oanh to remain a member of the presidium in the capacity of a veteran cadre with great experience in mass motivation work.

Comrade Pham The Duyet thanked the VFFCC Presidium for trusting him. He then briefed the conference on the results of the Eighth Party Congress.

On behalf of the government, Deputy Prime Minister Phan Van Khai gave a briefing on the situation regarding the implementation of the socioeconomic task in the first six months of the year and on government guidance for the implementation of the socioeconomic task in the last six months of 1996. The deputy prime minister spoke highly of the role played by the Vietnam Fatherland Front in motivating the people of various strata to achieve socioeconomic targets and contribute to national industrialization and modernization in accordance with the resolution of the Eighth Party Congress.

The conference heard Comrade Tran Van Dang present a report on the front's activities in the first six months of the year and its program of action for the last six months of the year, noting that the promulgation of regulations on a special relationship between the government and the VFFCC has created favorable conditions for cooperation between the Vietnam Fatherland Front and the administration at various levels.

The conference concentrated on discussing and passing its program of action for the last six months of the year, aimed at continuing to accelerate the emulation movement to fulfill the 1996 socioeconomic task as part of an effort to help translate the resolution of the Eighth Party Congress into life.

SRV: System of Equitisation Boards Established

*BK1608072996 Hanoi VNA in English
0631 GMT 16 Aug 96*

[FBIS Transcribed Text] Hanoi VNA Aug.16 — Prime Minister Vo Van Kiet has attempted to accelerate the equitisation process by establishing a nation-wide system of equitisation boards to convert state-owned companies into public-owned enterprises.

The decision will see equitisation boards set up at a grassroots level within all state-owned businesses earmarked for public holding ownership.

These boards will then be responsible to similar committees, established at provincial and ministerial levels, which in turn will be co-ordinated by a national equi-

tisation board to be headed by Cabinet Minister Phan Van Tiem.

Mr. Tiem is currently in charge of the Government Steering Committee for Restructuring Government-Owned Businesses.

Deputy chairman of the equitisation board will be Finance Deputy Minister Pham Van Trong.

The prime minister appointed Le Huy Dong, deputy minister of the labour, war invalids and social affairs, and Hoang Minh Chuc, vice president of the Vietnam Confederation of Workers, as the only two other members of the national board.

Equitisation boards at provincial and ministerial levels will be headed by either a deputy chairman of the provincial people's committee or a deputy minister.

Board members will include the directors or deputy directors of provincial departments or ministerial departments of planning and investment, finance, labour, war invalids and social affairs. Also to be included are presidents or vice presidents of the ministry's trade unions and provincial confederation of workers.

At individual enterprises, the equitisation boards will be chaired by the director or vice-director of that company. Other board members will include the chief accountant or the head of the finance and accounting department, the head or deputy head of the personnel/labour and salaries department, the secretary or deputy secretary of the local party committee and the president or vice-president of the relevant trade unions.

SRV: Use of Fake Dollars by Foreigners Discovered in City

*BK1608040396 Hanoi NHAN DAN in Vietnamese
6 Aug 96 p 4*

[Report by "P.V"]

[FBIS Translated Text] In the final days of July, Ho Chi Minh city discovered foreigners, especially crew members of foreign ships transiting the Ho Chi Minh city port, were using fake U.S. dollars to buy goods. It is fortunate that such incidents were quickly discovered.

SRV: Largest Northern Sea Port Project 'Presented'

*BK1608071796 Hanoi VNA in English
0615 GMT 16 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 16 — The Ministry of Planning and Investment has presented a project to the government to build the Cai Lan deep sea port with a capacity of handling 10 million tons of cargo

a year and accessible by 40,000-ton freighters, making it the largest in northern Vietnam.

The Cai Lan port is in Ha Long city of Quang Ninh province, 150 km northeast of Hanoi and just 50 km from Haiphong port city. The port has an area of 33 square km and is located in the Hanoi-Haiphong-Quang Ninh economic triangle, the biggest in the north and also near the famous tourist destination of Ha Long Bay which has been recognized as a world cultural heritage site by UNESCO.

The project will be undertaken with investment capital mainly from the state budget and other domestic sources. Loans from the Overseas Economic Cooperation Fund (OECF) of Japan will also be mobilized. The port is scheduled to be built in three phases. The first phase includes the construction of seven berths with about 40,000 square meters of depots estimated at \$120 million and is expected to be completed by the year 2000.

The second phase will cover the building of 14 more berths and 80,000 square meters of depot. This phase is due to last 10 years immediately after the end of the first phase while the third will be implemented after consideration of expansion to meet national development needs.

Vietnam now has about 50 ports, large and small, along its 3,200-km coastline. These ports have played an important role in Vietnam's economic development, including oil and gas exploration and exploitation. However, Vietnam's ports only have an aggregate capacity of 24.5 million tonnes of cargo annually: Nine million tonnes for northern ports, 3.6 million tonnes for central ports and 12 million tonnes for southern ports.

According to forecasts, by the turn of this century, the quantity of cargo arriving in Vietnam's ports will reach 85.5 million tonnes a year, including 28 million tonnes for northern ports (10 million tonnes for Cai Lan, seven million tonnes for Haiphong), 23.3 million tonnes for central ports and 34.5 million tonnes for southern ports (10 million tonnes for Vung Tau, the biggest port in the region, seven million tonnes for Saigon and seven million tonnes for Thi Vai).

To serve this need, in addition to repairing and upgrading existing ports, Vietnam plans to build a series of new ports such as Cua Viet, Chan May, Vung Ro, Dung Quat, Ba Ngoi (Cam Ranh Bay), Vung Tau, Thi Vai, Cai Lan and others in order to bring the total to 85 ports by the year 2010.

Apart from mobilization of all domestic capital sources, Vietnam has called for foreign investment in different

forms in the port construction, including contracting out to foreign operators.

SRV: Contract Signed for Oil Refinery in Mekong River Delta

BK1508161396 Hanoi Voice of Vietnam in English
1000 GMT 14 Aug 96

[FBIS Transcribed Text] A contract has been signed to build the Mekong Delta's first oil refinery. The project is a joint venture between Can Tho Agricultural Product Import-Export Company and three Taiwanese companies.

It will be Vietnam's second oil refinery. The first one to be built in Dung Quat in Central Vietnam.

SRV: More Haiphong Industrial, Export Processing Zones Planned

BK1508154896 Hanoi VNA in English
1308 GMT 15 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 15 — Four more export processing and industrial zones will be built in the northern port city of Haiphong in addition to the existing Nomura industrial zone.

An EPZ [Export Processing Zone] and a golf-course capitalized at \$100 million will be built on a 300-ha area, which was the site for the dissolved Haiphong EPZ, by a joint venture between the Haiphong EPZ Development Company and the Ming An Insurance Company of Hong Kong.

Another joint venture between Haiphong and a group from the United States, Belgium, and Thailand will invest \$180 million to construct infrastructure facilities for a 309-ha economic complex in Dinh Vu. A feasibility study for the project is nearing complete.

Application is also being made for an industrial zone covering 90 ha with estimated investment of \$90 million, while the Haiphong people's committee has just signed a memorandum of understanding with LGI Construction (of South Korea) on building an industrial zone and offices for lease.

Haiphong now has 53 foreign investment projects licensed with nearly \$951.79 million in invested capital, ranking fourth in terms of foreign investment capital after Ho Chi Minh City, Hanoi, and Dong Nai Province.

SRV: First Telecommunications Satellite Project Planned

*BK1508154496 Hanoi VNA in English
1315 GMT 15 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 15 — Alcatel of France has offered a cost of from \$130-180 million for Vietnam's telecommunication satellite project known as VINALSAT.

The Vietnam Post and Telecommunications (VNPT) plans to launch its first telecommunication satellite within the 1996-2000 period to expand and modernize its national and international telecom networks, meeting the growing demand in Vietnam and integrating into the international telecom system. If VINALSAT is launched, Vietnam will be provided with more telephone, radio, and television channels with data transmission speeds ranging from 8.5-33.5 mb/s.

Alcatel is one of several foreign firms that have showed interest in the project, with a tender expected to be opened upon completion of a feasibility study by VNPT later this year.

SRV: Labor Code Implemented Nationwide

*BK1508005296 Hanoi VNA in English
1434 GMT 14 Aug 96*

[FBIS Transcribed Text] Hanoi VNA AUGUST 14 — The labour code is being implemented in almost all provinces and cities throughout the country, especially provisions on the signing of labour contracts and collective labour agreements. Investigations in 40 out of 53 provinces and cities throughout the country revealed that more than 70 percent of employees had signed labour contracts with their employers and more than 20 percent of businesses had collective labour agreements executed. In particular, 100 percent of employees in the southern provinces of Phu Yen, Vinh Long and Kien Giang entered into labour contracts.

For nearly two years since the labour code was passed by the National Assembly, 17 documents were issued to provide guidance for the implementation of the labour code, including the decree on labour contracts, salaries, collective labour agreements, and labour hygiene. Responsibility for state management as well as the role

of trade union organizations to represent and protect the rights of employees are also clearly defined in the approved labour code and the trade unions law. In addition, the labour court was established in the people's court system.

Almost all ministries and branches have organized training courses on the labour code and 95 percent of provinces and cities held conferences on the code which was also disseminated through newspapers, radio and television programmes. As a result, 80 percent of the labour force in Ho Chi Minh City were acquainted with the labour code.

The labour code, however, has not been observed strictly, particularly in wholly-owned foreign companies, with numerous businesses violating provisions on labour safety and hygiene and regulations on trade unions. Employers of some 40 percent of businesses were blamed for having failed to sign labour contracts with their employees and 10 percent for breaching regulations on work and rest times. Only 55 percent of the businesses operating in Vietnam have paid social insurance premiums for their employees while 70 percent have not yet established trade union organizations.

Worse still, in some joint ventures, foreign managers or experts maltreated, insulted or even beat Vietnamese workers, with severe cases being brought to court.

These resulted in workers' strikes over the past few years, which, according to the Ministry of Labour, War Invalids and Social Affairs, numbered 12 in the first quarter of this year for foreign-invested enterprises against 24 last year. These were attributed to the absence of trade union organizations in these enterprises, irresponsibility and incapacity of Vietnamese employees' representatives, and employees' low standard of knowledge and skills, and non-compliance with regulations in the workplace.

Measures to be taken to accelerate the enforcement of the labour code nation-wide in the second half of this year include the issuance of more documents instructing detailed implementation of the code, the conduct of regular inspections and supervision of the observation of relevant regulations as well as severe punishments for law breakers.

Australia

Australia Confirms Willingness To Sell Uranium to Taiwan

BK1608062296 Melbourne Radio Australia
in English 0500 GMT 16 Aug 96

[FBIS Transcribed Text] The Australian Government has confirmed that it would like to sell uranium to Taiwan, but the foreign minister, Alexander Downer, says no decision has been made yet, and any sale would include stringent safeguards. He says any uranium sale would be for exclusively peaceful purposes and would be consistent with the one-China policy. The foreign minister said Australia was looking at selling uranium to Taiwan via the United States, so safeguards could apply.

Mr. Downer said his predecessor, Labor Foreign Minister Gareth Evans, told the senate committee last year that the Keating government was interested in Taiwan's energy market. Mr. Evans since said Australia had no reason to believe that the safeguard policy could not be applied in Taiwan. Mr. Downer said it was hypocritical for Labor's current foreign affairs spokesman, Laurie Brereton, to claim that the Keating government had rejected sales to Taiwan.

Australia: Downer 'Very Positive' About Uranium Sales to Taiwan

BK1608072196 Melbourne THE AGE in English
16 Aug 96

[Report by Lindsay Murdoch — received via Internet]

[FBIS Transcribed Text] The federal government is secretly preparing to approve the sale of Australian uranium to Taiwan, despite the risk of infuriating China at a time of growing friction between Canberra and Beijing.

The government is to push ahead with the sales, even though it has received legal advice that the deal would breach the South Pacific Nuclear-Free Zone Treaty. The foreign minister, Mr. Alexander Downer, told senior officers of the Department of Foreign Affairs and Trade during a confidential meeting in April that he was "very positive" about uranium sales to Taiwan and directed that they should negotiate a package of safeguard arrangements.

But because Taiwan has not met Australia's stringent requirements to ensure the uranium would be used only for peaceful purposes, the government is trying to sell it through a third country, the United States.

Australia does not recognise Taiwan as a state or as a party to the 1972 Nuclear Non-Proliferation Treaty. Mr. Downer gave the go-ahead for Australian uranium

producers to position themselves to bid for the next rounds of uranium supply tenders in Taiwan only days after China tested ballistic missiles off Taiwan.

The tenders later this year are for seven to 10-year contracts worth tens of millions of dollars to supply uranium for Taiwan's six nuclear power reactors. The department told Australian uranium producers in May that they could confidentially inform Taiwan's energy company, Taipower, that "Australia is actively exploring arrangements" to allow the supply of Australian uranium to Taiwan.

It said the government was keen to ensure that Australian companies were not disadvantaged in bidding for long-term supply contracts now available for tender. Asked about possible sales to Taiwan, a spokesman for Mr. Downer said last night: "To sell uranium to Taiwan, an appropriate safeguards agreement would need to be put in place. We do not have an agreement."

But Labor's foreign affairs spokesman, Mr. Laurie Brereton, said the revelation of the planned sales, coming just one day after the release of the Canberra Commission's report on the elimination of nuclear weapons, "raises serious concerns about the government's commitment to the strictest possible safeguards for the supply of Australian uranium."

"It raises very serious concerns about the government's adherence to the letter and spirit of Australia's obligations under the South Pacific Nuclear-Free Zone Treaty," Mr. Brereton said.

The commission's report, which Mr. Downer has promised to promote, said any new uranium supply arrangements "should require acceptance of fullscope safeguards as a necessary precondition." Australia's move appears certain to damage the Howard Government's relations with Beijing on the eve of visits to China by Mr. Downer and the deputy prime minister, Mr. Tim Fischer.

It coincides with Chinese protests over a visit to Australia by Tibet's spiritual leader, the Dalai Lama, the abolition of the \$124 million [Australian dollars] Development Import Finance Facility scheme from which China greatly benefited, and a proposed visit by the minister for primary industries, Mr. John Anderson, to Taiwan next month.

The Department of Foreign Affairs warned the former Labor government late last year that China was "hyper-sensitive" about Taiwan's push for further international recognition. The department said China was closely watching Australia's relationship with Taiwan.

"The timing makes it quite possible that China would view a move by Australia to initiate uranium exports to

Taiwan in an unfavorable light and politicise any step we might take," the confidential advice read.

Chinese fears that Taiwan could use uranium for non-peaceful purposes is one of the most contentious issues between Beijing and Taipei. China's ageing leader, Mr. Deng Xiaoping, has warned that China would attack Taiwan if it developed a nuclear capability.

The department's advice referred to a reference last year by Taiwan's President, Mr. Lee Teng-hui, that Taiwan had no plans to "resume" development of nuclear weapons. Although Mr. Lee later said he meant Taiwan would not develop nuclear weapons, the advice said "the fact that he mentioned this issue at all would be of concern to China."

It said China "might make a connection between his reference and our own intention to export uranium." Breaching the South Pacific Nuclear-Free Zone Treaty — which bans signatories from sending nuclear material to countries that do not have a fullscope safeguards agreement with the International Atomic Energy Agency — is likely to prompt protests from South Pacific countries.

In 1992 the Department of Foreign Affairs gave legal advice to the then foreign minister, Gareth Evans, that the only way to avoid accusations of breaching the treaty was to amend it. But the advice said: "This would be difficult since the relevant article was inserted...at the insistence of Australia."

New Zealand

New Zealand: Activist's Book Reports Electronic Spy Link With U.S.

BK1608034796 Christchurch THE PRESS in English
15 Aug 96

[Article by Peter Luke: "Govt Bureau 'Junior Cog' in Network" — received via Internet]

[FBIS Transcribed Text] New Zealand's biggest intelligence agency is a junior cog in an electronic spying network run largely for the benefit of the United States and Britain, peace activist Nicky Hager claimed yesterday. His book "Secret Power" aims to expose the "shadowy" Government Communication Security Bureau [GCSB], portraying it as a body out of the control of Parliament and prime ministers.

The prime function of this agency, with a staff of 200, is not the security of government communication, but electronic spying through the Tangimoana and Waihopai bases, said Mr. Hager.

The book alleges that since the 1940s, New Zealand has been an informal member of UKUSA—an agreement between the United States and Britain. Both Australia and Canada are also informal members of the electronic eavesdropping system.

Among New Zealand's contributions was spying on its South Pacific neighbours—using the Waihopai satellite antennae to intercept electronic messages and the radio masts at Tangimoana to record radio signals.

Because of its size, the South Pacific was especially dependent on satellite communications. Mr. Hager claimed that Waihopai station was built in the late 1980s to facilitate the "Echelon Dictionary." This enabled the United States and other partners to plant key words that would trigger an intercept being sent directly to that nation's own equivalent of the bureau.

Prime Minister Jim Bolger in 1991 told Parliament that the bureau did not monitor the communications of either New Zealand or its "friends" in the South Pacific. A similar assurance had been given by Sir Robert Muldoon in 1984. Mr. Bolger was not commenting on Mr. Hager's claim that South Pacific nations were being monitored—or on the book's other claims.

A spokesman cited a longstanding convention that prime ministers did not comment on intelligence issues.

However, Mr. Hager's book suggests that the bureau habitually kept prime ministers—to whom the agency was responsible—in the dark.

David Lange, the prime minister when the Waihopai base was planned, said that only on reading the book did he realise "we had been committed to an international integrated electronic network.... It is an outrage that I and other ministers were told so little and this raises the question of to whom those concerned saw themselves ultimately responsible."

Ironically the book argues that the bureau and its UKUSA links failed on the two occasions information should have been forthcoming —the Fiji coup and the sinking of the Rainbow Warrior.

New Zealand First [Party] leader Winston Peters has called for an independent judicial inquiry into Mr. Hager's claim?, while the Alliance has called for greater scrutiny of the intelligence community.

Among the other claims are that: It is unclear whether the GCSB is spying on New Zealanders. Japanese communications are, at the request of the UKUSA partners, another key target of GCSB spying.

A second receiving dish is planned for Waihopai to increase its coverage.

The so-called intelligence cut by the United States during the ANZUS [Australian-New Zealand-U.S. defense agreement] stand-off was a myth as the UKUSA activities involving the GCSB were unaffected.

Author says law will not lift agency secrecy.

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